

vicinity, favoring the enactment of House bill 2082; to the Committee on the Judiciary.

4397. By Mr. VOORHIS of California: Petition of Paul D. Beck, of Pasadena, Calif., and 34 others, with reference to House bill 2082; to the Committee on the Judiciary.

4398. Also, petition of V. G. Story, of El Monte, Calif., and 23 others, with reference to House bill 2082; to the Committee on the Judiciary.

4399. Also, petition of Magda A. Barton, of El Monte, Calif., and 65 others, with reference to House bill 2082; to the Committee on the Judiciary.

4400. By Mr. WADSWORTH: Petition of Joseph Walters, of Rochester, N. Y., and others, opposing proposed legislation providing for partial or national prohibition; to the Committee on the Judiciary.

4401. By Mr. WIGGLESWORTH: Petition of the mayor and City Council of Brockton, Mass., urging enactment of legislation providing for the care and support of our honorably discharged veterans; to the Committee on World War Veterans' Legislation.

4402. By Mr. ARNOLD: Petition of Mr. and Mrs. Clyde Bachman and more than 300 other citizens of Kirksville, Mo., petitioning Congress to pass House bill 2082, introduced by Hon. JOSEPH R. BYRON, of South Carolina, to prohibit the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war, and until the termination of demobilization; to the Committee on the Judiciary.

## SENATE

WEDNESDAY, JANUARY 19, 1944

(Legislative day of Tuesday, January 11, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Dr. Fred S. Buschmeyer, pastor of the Mount Pleasant Congregational Church, Washington, D. C., offered the following prayer:

Almighty God, in all our planning we would seek wisdom and guidance from Thee, whose designs for men and nations are supreme in wisdom and in goodness. Grant us vision to see clearly the lines of Thy holy purpose traced upon the trestle boards of history. Seeing clearly Thy purpose, O Thou who art the strength of our hearts and hands, give us the courage and the power to perform our tasks and to fulfill our responsibilities in a manner pleasing unto Thee.

In times of stress and confusion may we hear the call of Thy voice above all clamor and dispute. In times of sacrifice may we be certain in our own hearts that our lives are being given first to Thee.

Lift us above all unworthy thought or action that as individuals and as a nation we may grow in true greatness.

Bless all who stand in our behalf in places of danger. May they, too, know the joy of a life committed completely unto Thee.

Bless this deliberative body and the Nation it represents that both may be used of Thee for the blessing of Thy people everywhere. In gratitude for all Thy mercies in the past and with reverent hope for the future we pray. Amen.

## THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, January 18, 1944, was dispensed with, and the Journal was approved.

## MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 653. An act for the relief of Johnny Newton Strickland;

S. 1090. An act for the relief of John Henry Miller, Jr.; and

S. 1488. An act to authorize the Secretary of the Interior to convey to Jose C. Romero all right, title, and interest of the United States in a certain described tract of land within the Carson National Forest, N. Mex.

The message also announced that the House had passed the bill (S. 184) to provide for the presentation of silver medals to certain members of the Peary Polar Expedition of 1908-09 with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 297. An act for the relief of the legal guardian of August Michels, a minor;

H. R. 443. An act for the relief of Dave Hougardy;

H. R. 1469. An act for the relief of Robert Beckwith, Julius Buettner, and Emma M. Buettner;

H. R. 2126. An act for the relief of David Cowan as natural guardian of Gilda Cowan, a minor;

H. R. 2455. An act for the relief of Hassler-Ponder Toy Manufacturing Co., Inc.;

H. R. 2456. An act for the relief of Moses Tennebaum;

H. R. 3195. An act for the relief of Willard Kerr, Jr.; and

H. R. 3504. An act for the relief of Wade Bros., a partnership composed of M. J., G. W., and Ovid Wade.

## CALL OF THE ROLL

Mr. WHITE. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken  
Andrews  
Austin  
Bailey  
Ball  
Bankhead  
Barkley  
Bilbo  
Bone  
Burton  
Bushfield  
Butler  
Byrd  
Capper  
Caraway  
Chavez  
Clark, Mo.

Connally  
Danaher  
Davis  
Downey  
Eastland  
Ellender  
Ferguson  
George  
Gillette  
Green  
Gurney  
Hatch  
Hawkes  
Hayden  
Holman  
Johnson, Colo.  
Kilgore

La Follette  
Langer  
Lodge  
McCarran  
McClellan  
McFarland  
McKellar  
Maloney  
Maybank  
Mead  
Millikin  
Moore  
Murdock  
Murray  
Nye  
O'Daniel  
O'Mahoney

Overton  
Pepper  
Radcliffe  
Revercomb  
Reynolds  
Robertson  
Russell  
Shipstead  
Stewart

Taft  
Thomas, Idaho  
Thomas, Okla.  
Thomas, Utah  
Tobey  
Truman  
Tunnell  
Tydings  
Vandenberg

Van Nuys  
Wagner  
Wallgren  
Walsh, Mass.  
Walsh, N. J.  
Wheeler  
White  
Wiley  
Willis

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Kentucky [Mr. CHANDLER], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from South Carolina [Mr. SMITH] are necessarily absent.

The Senator from Nevada [Mr. SCRUGHAM] is absent on official business.

The Senator from Idaho [Mr. CLARK], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Alabama [Mr. HILL], and the Senator from Illinois [Mr. LUCAS] are detained on public business.

Mr. WHITE. The Senator from Oregon [Mr. McNARY] and the Senator from Iowa [Mr. WILSON] are absent because of illness.

The Senator from Illinois [Mr. BROOKS] is absent on official business.

The Senator from Maine [Mr. BREWSTER], the Senator from Delaware [Mr. BUCK], the Senator from Kansas [Mr. REED], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The VICE PRESIDENT. Seventy-eight Senators have answered to their names. A quorum is present.

## THE ROTATION OF NAVAL PERSONNEL

Mr. WALSH of Massachusetts. Mr. President, as a result of inquiries made to me and other members of the Committee on Naval Affairs of the Senate, the rotation of officers and enlisted men in the Navy was taken up with Admiral Jacobs, Chief of the Bureau of Personnel.

I ask to have printed in the RECORD at this point a statement made to me by Admiral Jacobs, which sets forth the policy of rotating enlisted personnel in the Navy.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Bureau has announced the policy of rotating enlisted personnel for rehabilitation leave and reassignment, after a minimum period of service of 18 months in hazardous duty afloat or in outlying stations. However, this is promulgated as a matter of policy and not of directive since the granting of leave or rotation must be consistent with the maintenance of the fighting efficiency of the service. The method of effectuating this policy is a matter within the cognizance of administrative commands, and the granting of leave remains the prerogative of the commanding officer.

When men are returned under this plan it is usual to grant leave up to 30 days at the rate of 2½ days for each month served at sea or overseas. Upon return to the receiving station at which received, these men are made available for new construction or assigned to fleet activities from general detail.

In the case of survivors, return to the United States for 30 days' leave and reassignment is recommended, where practicable.

Effectuation of these policies depends materially upon personnel requirements in the particular theater or command, and it is not

possible to state at the time to what extent they will be found feasible.

#### ANNIVERSARY OF BIRTH OF ROBERT E. LEE

Mr. ANDREWS. Mr. President, I wish to take only a few minutes of the time of the Senate to make a few appropriate remarks in commemoration of the birthday of Gen. Robert E. Lee.

As a small boy and all through life I have revered the memory of Gen. Robert E. Lee. Today, on the anniversary of his birth, I take a few moments to honor this great and good man. In the period in which he lived, his every act was motivated by what he deemed to be his duty. He was a kindly Christian gentleman, abundantly endowed with those attributes which attract and hold friends. Though he suffered mental anguish and physical hardships, never once did he complain, and never once did his feet stray from the path of duty he had chosen to follow. In the Lord he put his trust, and in the Lord he was sustained.

The eminent historian, Douglas S. Freeman, selected the following incident to close his four-volume biography of General Lee. It happened in northern Virginia:

A young mother brought her baby to General Lee to be blessed. He took the boy in his arms and, after looking at it and then at the mother, he slowly said: "Teach him he must deny himself."

How timely these words are today. We should all take them to heart, for by doing so we not only would be better men and women but we would also contribute materially toward shortening the war. Time saved means lives saved. It is now, as always, later than we think.

I do not believe it inopportune to invoke the blessings of Providence on our Chief of Staff, Gen. George C. Marshall, who possesses to a marked degree many of the fine qualities and characteristics of General Lee. We are, indeed, most fortunate in having his services at this crucial time. I pray that his health will continue robust; that he will, as in the past, speak when he conceives it his duty to speak; and that in the well-nigh overwhelming responsibility he is called upon to bear, he will be guided and sustained by Him to whom we all turn in moments of supreme crisis.

#### EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

##### PERSHING HALL MEMORIAL FUND

A letter from the Secretary of the Treasury, transmitting, pursuant to law, an itemized report of transactions for account of the Pershing Hall Memorial Fund (with an accompanying paper); to the Committee on Military Affairs.

##### SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

A letter from the Attorney General, transmitting, pursuant to law, a report stating all the facts and pertinent provisions of law in the cases of 238 individuals whose deportation has been suspended for more than 6 months under the authority vested in the

Attorney General, together with a statement of the reason for such suspension (with accompanying papers); to the Committee on Immigration.

##### SPECIAL STATISTICAL STUDIES, ETC., BUREAU OF FOREIGN AND DOMESTIC COMMERCE

A letter from the Acting Secretary of Commerce, transmitting, pursuant to the act of May 27, 1935 (49 Stat. 292), statements showing the names for whom special statistical work has been performed, the nature of the services rendered, the price charged therefor, and the manner in which the moneys received were deposited or used (with accompanying papers); to the Committee on Commerce.

##### REPORT OF SOCIAL SECURITY BOARD

A letter from the Administrator of the Federal Security Agency, transmitting, pursuant to law, the eighth annual report of the Social Security Board for the fiscal year ended June 30, 1943 (with an accompanying report); to the Committee on Finance.

##### PERSONNEL REQUIREMENTS, THE OFFICE OF CENSORSHIP

A letter from the Chief, Administrative Division of the Office of Censorship, transmitting, pursuant to law, an estimate of personnel requirements of that office for the quarter ending March 31, 1944 (with accompanying papers); to the Committee on Civil Service.

##### REPORT OF THE NATIONAL ARCHIVES TRUST FUND BOARD

A letter from the chairman of The National Archives, transmitting, pursuant to section 10 of the National Archives Trust Fund Board Act, approved July 9, 1941 (55 Stat. 581), the annual report of the National Archives Trust Fund Board for the fiscal year ended June 30, 1943 (with an accompanying report); to the Committee on the Library.

##### RESOLUTION OF CONNECTICUT STATE DENTAL ASSOCIATION CONCERNING SENATE BILL 1161

Mr. MALONEY. Mr. President, I ask unanimous consent that there may be inserted in the body of the RECORD, and appropriately referred, a letter which I have received from Dr. Earle S. Arnold, secretary of the Connecticut State Dental Association, West Hartford, Conn., and a copy of a resolution adopted by the board of governors of that association, concerning Senate bill 1161.

There being no objection, the letter and resolution were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

##### CONNECTICUT STATE DENTAL ASSOCIATION,

West Hartford, Conn., January 16, 1944.  
Hon. FRANCIS MALONEY,  
Senate Office Building,  
Washington, D. C.

MY DEAR SENATOR MALONEY: Enclosed is a copy of a resolution adopted by the board of governors of the Connecticut State Dental Association January 8, 1944.

As required by the resolution, I am forwarding a copy for your attention, so that you may know the feeling of the Connecticut State Dental Association in regard to this proposed Senate bill 1161 (Wagner-Murray-Dingell bill).

Very truly yours,

EARLE S. ARNOLD, D. D. S.,  
Secretary.

Be it resolved, That the board of governors of the Connecticut State Dental Association, while approving the motives of Senate bill

1161 (Wagner-Murray-Dingell bill), does condemn the machinery it proposes to set up for procurement of funds and administration of those funds, and for the procurement of personnel and the administration of that personnel, and that this board of governors so inform the board of trustees of the American Dental Association in whose hands the matter is entrusted, and urge them to do all in their power to defeat this pernicious legislation; be it further

Resolved, That a copy of this resolution be sent to the president of the American Dental Association, to the trustee of the first district, and to each of the United States Senators and Representatives from Connecticut.

##### RESOLUTION AND MEMORIALS OF FLORIDA LEGISLATURE

Mr. PEPPER. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the RECORD, under the rule, a concurrent resolution and two memorials of the Legislature of the State of Florida memorializing or petitioning the Congress.

The VICE PRESIDENT. Without objection, the resolution and memorials will be received and appropriately referred:

To the Committee on Commerce:

##### Senate Memorial 3

A memorial to the Congress of the United States of America urging that all departments and functions of the Federal Government relating to commercial fishing and fisheries be transferred from the United States Department of Interior and placed under the United States Department of Agriculture

Whereas, by reason of the present war in which the United States of America is engaged, there exists a meat shortage in this country; and

Whereas a considerable amount of food produced and consumed by the people of this country consists of fish and sea foods, which is helping to alleviate the existing meat shortage; and

Whereas all departments and functions of the Federal Government relating to commercial fishing and fisheries are now administered by the United States Department of Interior; and

Whereas such department and functions more properly belong under the United States Department of Agriculture and if transferred from the United States Department of Interior to the United States Department of Agriculture, such change would be conducive to greater production of fish and sea foods and would aid and assist our country in combating the existing meat shortage and facilitate the prosecution and successful early termination of the present war: Be it

Resolved by the Legislature of the State of Florida:

SECTION 1. That we do hereby respectfully memorialize and petition the Congress of the United States of America to take such action as is necessary to immediately effect the transfer of all departments and functions of commercial fishing and fisheries under the Federal Government from the United States Department of Interior and place the same under the United States Department of Agriculture.

SEC. 2. That a copy of this memorial under the Great Seal of the State of Florida be immediately forwarded by the secretary of state to the President of the United States Senate, to the Speaker of the House of Representatives of the United States Congress and to each Member of the delegation representing the State of Florida in both the House of



Representatives and Senate of the Congress of the United States of America.

Sec. 3. That a copy of this memorial be spread upon the journal of both the Senate and the House of Representatives of the State of Florida and that sufficient copies thereof be furnished to the press.

Approved by the Governor May 27, 1943.

Filed in office of secretary of state May 27, 1943.

#### Senate Concurrent Resolution 8

Resolution urging the Congress of the United States to take action on a project for the construction of a waterway connecting the St. Johns River and Indian River in Florida in the interest of flood control and navigation

Whereas the agricultural and cattle industries in the valley of the St. Johns River are seriously handicapped and made economically unfeasible by the frequent recurrences of destructive floods; and

Whereas studies have demonstrated that these floods can be controlled and the now existing agricultural and cattle industries can be tremendously expanded by the creation of a channel connecting the two said rivers; and

Whereas such a channel will be susceptible of commercial and recreational navigation affording economic transport facilities connecting the interior of the peninsula with many important centers on the east coast of Florida; and

Whereas the benefits to agricultural and cattle production and commerce would not be confined to the State of Florida, but on the contrary would extend to the entire Atlantic coast region and the territory commercially tributary thereto: Now, therefore, be it

*Resolved by the senate (the house of representatives concurring):*

SECTION 1. That the Congress of the United States is hereby urged to pass proper authorizing legislation for this much-needed project.

SEC. 2. That copies of this resolution be forwarded to the Florida Senators and Congressmen, with the request that they do all in their power to further this project.

Approved by the Governor May 26, 1943.

Filed in office, secretary of state, May 26, 1943.

#### To the Committee on Foreign Relations:

##### House Memorial 15

Memorial to the President and Congress to call a convention to frame a federal constitution for world government

Whereas peace under ordered liberty throughout the world is an end devoutly to be desired and worth making sacrifices to attain; and

Whereas intercommunication has become so rapid and the instruments of destruction so deadly that no nation can now lead a life of isolation in peace and safety; and

Whereas systems of alliance and balances of power and leagues have failed to accomplish more than a breathing space between wars; and

Whereas the people of the Thirteen States once faced the urgent need which freemen throughout the world now face—the vital need of uniting their power in the strongest way to secure their common rights; and

Whereas the people of the Thirteen States then met that need by creating a common government, in the midst of war, and when the war was thus won but the peace was endangered helped develop that emergency government into the more perfect Union embodied in the Constitution of the United States; and

Whereas these principles of federal union have proved for more than 150 years to be

the most successful solution known to history of the problem now confronting all free peoples, viz, how to unite, so that all may live together peacefully, with freedom and prosperity; and

Whereas the American people have never yet explored how far they might apply their federal principles beyond the confines of the 48 States in conjunction with other free peoples so as to secure the lasting world peace that only ordered liberty can provide; and

Whereas such exploration cannot possibly do any harm and may achieve as great good as our Federal Convention of 1787: Now, therefore, be it

*Resolved by the Legislature of the State of Florida,* That the President and the Congress be requested to call at the earliest possible moment a convention of representatives of all free peoples, to frame a federal constitution under which they may unite in a democratic world government, subject to ratification by each people concerned; and be it further

*Resolved,* That copies of this resolution be sent to the President and the Vice President of the United States, the Speaker of the House of Representatives, and to each of the Senators and Representatives of Florida in the Congress of the United States.

Approved by the Governor June 5, 1943.

Filed in office of secretary of state June 7, 1943.

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BALL:

S. 1660. A bill granting the consent of Congress to the Minnesota Department of Highways and the county of Crow Wing in Minnesota to construct, maintain, and operate a free highway bridge across the Mississippi River at Mill Street, in Brainerd, Minn.; to the Committee on Commerce.

By Mr. KILGORE:

S. 1661. A bill granting an increase of pension to Jess Musgrave; to the Committee on Pensions.

#### HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H. R. 297. An act for the relief of the legal guardian of August Michela, a minor;

H. R. 443. An act for the relief of Dave Hougardy;

H. R. 1469. An act for the relief of Robert Beckwith, Julius Buettner, and Emma M. Buettner;

H. R. 2126. An act for the relief of David Cowan as natural guardian of Gilda Cowan, a minor;

H. R. 2455. An act for the relief of Hassler-Ponder Toy Manufacturing Co., Inc.;

H. R. 3195. An act for the relief of Willard Kerr, Jr.; and

H. R. 3504. An act for the relief of Wade Bros., a partnership composed of M. J. G. W., and Ovid Wade; to the Committee on Claims.

H. R. 2456. An act for the relief of Moses Tennenbaum; to the Committee on Immigration.

#### AMENDMENTS TO THE REVENUE ACT

Mr. LANGER submitted an amendment and Mr. FERGUSON (for Mr. Buck) submitted an amendment intended to be proposed to the bill (H. R. 3687) to provide revenue, and for other purposes, which were each ordered to lie on the table and to be printed.

Mr. TRUMAN. Mr. President, I ask unanimous consent on behalf of the Senator from New Mexico [Mr. Hatch] and

myself that I be permitted to offer a substitute for the amendment offered by the Senator from New Mexico [Mr. Hatch] and myself on January 14 as an amendment to section 252, credit against income and excess-profits taxes of sums invested in post-war reconversion bonds. I ask that the amendment intended to be proposed to House bill 3687, the tax bill, may be printed and lie on the table.

The VICE PRESIDENT. Without objection, it is so ordered.

#### INVESTIGATION OF RURAL ELECTRIFICATION ADMINISTRATION—LIMIT OF EXPENDITURES

Mr. BILBO (for Mr. SMITH) submitted the following resolution (S. Res. 238), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved,* That the limit of expenditures authorized under Senate Resolution 197, Seventy-eighth Congress, first session, agreed to December 9, 1943 (authorizing the employment of assistants and the expenditure of funds in a proposed investigation of the administration of the Rural Electrification Act), is hereby increased by \$15,000.

#### WILLIAM J. EWING—WITHDRAWAL OF PAPERS

On motion of Mr. WHITE (for Mr. McNARY), it was

*Ordered,* That the papers accompanying the bill (S. 914, 75th Cong.) for the relief of William J. Ewing, be withdrawn from the files of the Senate, no adverse report having been made thereon.

#### BRIEF ANALYSIS OF BENEFITS TO VETERANS AND DEPENDENTS (S. DOC. NO. 146)

Mr. CLARK of Missouri. Mr. President, at my request, in my capacity as chairman of the Subcommittee on Veterans' Affairs of the Committee on Finance, the Veterans' Bureau has prepared an exhibit graphically setting forth all the benefits to which veterans of the various wars of the United States, or of the Regular Establishment, are entitled. They are set out in parallel columns—the Indian Wars; the Civil War; the War with Spain; the Philippine Insurrection; the Boxer Rebellion; benefits to which veterans of the Regular Establishment are entitled; and benefits to which veterans of World War No. 1 and World War No. 2 are entitled.

I believe that this analysis of the pensions and compensation under the law as administered by the Veterans' Administration is sufficiently detailed to be of great value to Members of Congress and should, if published as a Senate document, speed up consideration of veterans' bills by removing, to a great extent, misunderstanding or lack of more complete information as to the benefits now provided by law. A chart of this nature will also meet a long-standing need in our own offices and to organizations and individuals directly interested in veterans' affairs.

The analysis, which was prepared by the Veterans' Administration, covers four main subjects—

First, pension or compensation to veterans for service-connected disabilities;

Second, pension or compensation to widows, children and dependent parents based upon service-connected death;

Third, pension to veterans for non-service-connected disabilities or age; and

Fourth, pension or compensation to widows and children based upon death not shown to be due to service.

Under these headings are found the monthly rates, both general and specific; the conditions of eligibility; dates of service; limitations if any, on eligibility; special provisions governing determination of service connection; and definitions.

The analysis covers all wars and the Regular Establishment, and after each provision under the various headings the citation to the existing law is given, the United States code citation being used for convenience. Where a provision is regulatory, reference is made to published regulations and procedure of the Veterans' Administration.

Mr. President, I believe this will be one of the most valuable documents in the consideration of veterans' legislation under the proper application of the laws already in existence that could possibly be conceived. For that reason I ask unanimous consent that it may be printed as a Senate document. I may say that if that is done, I shall probably subsequently ask unanimous consent that an additional number be printed so that it may be made available for the use of members of Congress and generally by those interested in the subject of veterans' benefits throughout the Nation.

The VICE PRESIDENT. Without objection, the analysis will be printed as a Senate document.

#### PRESENTATION OF SILVER MEDALS TO CERTAIN MEMBERS OF PEARY POLAR EXPEDITION

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 184) to provide for the presentation of silver medals to certain members of the Peary Polar Expedition of 1908-09, which was, on page 2, line 8, to strike out "\$500" and insert "\$750."

Mr. WHITE. I move that the Senate concur in the amendment of the House. The motion was agreed to.

#### REHABILITATION OF VETERANS

Mr. WILEY. Mr. President, in relation to pending legislation having to do with the rehabilitation of veterans, I have a letter from the American Legion headquarters here in Washington; from the American Legion of Bluefield, W. Va.; from the American Legion at Kensington, Md.; and from the American War Dads, which I ask to have printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,  
NATIONAL HEADQUARTERS,  
Indianapolis, Ind., December 21, 1943.  
Senator ALEXANDER WILEY,  
United States Senate, Washington, D. C.  
DEAR SENATOR WILEY: The American Legion is in complete accord with your thought that there should be an over-all plan for assisting World War veterans into useful em-

ployment, and also providing for their hospitalization and compensation if disabled.

At our Omaha convention the Legion endorsed the placing of all remedies and benefits of this character under the jurisdiction of one agency, the Veterans' Administration.

At the present moment a special committee of the American Legion on rehabilitation and employment, under the chairmanship of John Stell, former Governor of Illinois, are studying the whole problem of aiding the veteran and at the same time benefiting our national economy.

I am forwarding your letter and bill to Chairman Stell, and will discuss them with him on my return in January.

Very truly yours,

WARREN H. ATHERTON,  
National Commander.

THE AMERICAN LEGION,  
BLUEFIELD POST, No. 9,  
Bluefield, W. Va., January 3, 1944.  
Senator WILEY,

Senate Chamber, Washington, D. C.

DEAR SENATOR: The Bluefield Daily Telegraph, a local newspaper serving southern West Virginia and Virginia carried an article outlining your views on the handling of veterans' affairs.

I wish you to know that many, many Legionnaires are grateful to you for the stand you are taking to have all veterans' affairs handled by one agency, instead of four or more, none of which will admit the gross injuries being done our discharged veterans, through their neglect in handling just claims, and so forth, promptly.

This apparent inefficiency of the several agencies in handling, or rather delaying, just claims of honorably discharged servicemen should be immediately corrected, and I know the American Legion stands ready to do what it can to correct any inefficiency in the handling of veterans' affairs, as soon as our hands are untied.

Yours very truly,

L. J. SOULIER,  
Commander.

ARNOLD WILBURN POST, No. 30,  
AMERICAN LEGION,  
Kensington, Md., December 3, 1943.  
Senator ALEXANDER WILEY,

The United States Senate,  
Washington, D. C.

DEAR SENATOR WILEY: Your forthright and far-sighted action on the problem of rehabilitation lends inspiration to every one of us concerned with this solemn duty.

The fine record of the Veterans' Administration has earned the veterans' confidence. This is half the battle.

Your plan is sound and holds promise of seeing this job through without the confusion which threatens to engulf this work.

Sincerely yours,

NEWTON T. CASHION,  
Post Adjutant, Silver Spring, Md.

NATIONAL COUNCIL,  
AMERICAN WAR DADS,  
Kansas City, Mo., January 12, 1944.  
The Honorable ALEXANDER WILEY,

United States Senate, Washington, D. C.

MY DEAR SENATOR: My attention has just been called to an article titled "Senators WILEY and BUCK Discuss Future of Veterans," which appeared in the January 6, issue of the National Tribune—Stars and Stripes. I take it you have read this article.

Will you be good enough to let us have for publication in the American War Dad magazine, February issue, the script of your broadcast over the Columbia Broadcasting System on December 28 mentioned in that article.

We at these headquarters are very sure you must be in sympathy with the service objectives of the American War Dads move-

ment. Therefore we would welcome an article from you, with an accompanying photograph of yourself, to the columns of the American War Dad.

As the lay-out for the February issue is now under way, it would be helpful to have word from you by return mail, if possible, as to whether we may count on this contribution from you. If necessary, copy would not need to reach us until January 20.

Blessings on you as you carry the ball in so important a connection as proper and just legislation on behalf of our returning war veterans.

Awaiting your earliest convenient reply, believe me,

Yours sincerely and respectfully,  
VERNE W. GOULD,  
National Program Director.

#### WORLD PEACE—ADDRESSES AT UNITED NATIONS FORUM, JANUARY 17, 1944

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD addresses upon the subject of world peace delivered by Senator Barkley, Senator Taft, Senator Truman, and Senator Ball, and by Hon. A. A. Berle, Jr., Assistant Secretary of State, before the United Nations Forum, Washington, D. C., on January 17, 1944, which appear in the Appendix.]

#### MR. STALIN'S ATTITUDE—EDITORIAL FROM WASHINGTON TIMES-HERALD

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an editorial entitled "What's Pal Joey Up To?" published in the Washington Times-Herald for January 19, 1944, which appears in the Appendix.]

#### ADDRESS BY FRANK S. BOICE AT ANNUAL MEETING OF AMERICAN NATIONAL LIVE STOCK ASSOCIATION

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an address delivered by President Frank S. Boice at the forty-seventh annual meeting of the American National Live Stock Association, Denver, Colo., January 13, 1944, which appears in the Appendix.]

#### ADDRESS BY ASSOCIATE JUSTICE LOUIS LE BARON OF THE HAWAIIAN SUPREME COURT

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address delivered by Associate Justice Louis Le Baron, of the Hawaiian Supreme Court, at the I Am An American Day ceremony at Honolulu, Hawaii, on May 16, 1943, which appears in the Appendix.]

#### THE REVENUE ACT

The Senate resumed the consideration of the bill (H. R. 3687) to provide revenue, and for other purposes.

Mr. REVERCOMB. Mr. President, I offer an amendment to the pending bill, which I ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 114, after line 11, in section 1700 (a), in the column headed "War tax rate," after the language "1 cent for each 5 cents or fraction thereof," it is proposed to add "except admissions to moving-picture shows, for which the tax shall be 1 cent for each 10 cents or fraction thereof."

Mr. GEORGE. Mr. President, I did not hear what the amendment provides. Is it limited to the moving-picture-admittance tax?

Mr. REVERCOMB. Yes. The effect of the amendment is to change the war-tax rate as proposed in the pending bill as to moving-picture shows only.



The VICE PRESIDENT. Is there objection to reconsideration of the vote by which the committee amendment, as amended, was agreed to? The Chair hears none, and the vote is reconsidered. The question is on agreeing to the amendment proposed by the Senator from West Virginia to the amendment of the committee.

Mr. REVERCOMB. Mr. President, I wish to make a brief statement explaining the purpose of the amendment, and submit a few remarks in support of it.

The only effect of the amendment would be to change the newly proposed war-tax rate upon admissions with respect to moving-picture shows only. At the present time the rate of taxation for admissions to moving-picture shows is 1 cent for each 10 cents or fraction thereof. That is the rate as to all admissions. The pending bill proposes that there shall be a change in the rate for all admissions—1 cent for each 5 cents or major fraction thereof. My amendment proposes that the old rate shall apply to moving-picture shows.

Mr. President, I feel that special consideration may be given to taxing admissions to picture shows because that form of entertainment and enlightenment has become almost a national institution. I am not attempting to affect in any way the new proposed tax on admissions to other places of entertainment. But the moving picture shows are found in almost every community.

They are patronized generally by all our people. Together with the press and with the radio they have become institutions of education, maybe good, maybe bad in some instances, but indeed, they have become places where the people of this country repair to see what is going on, to learn of current events, and to be entertained with the pictures they find exhibited there.

The proposed increase in tax will not fall upon the picture theaters. It will fall upon the people who attend those places. In many of the small towns of this country the moving-picture house is the only place to which the citizens may go for entertainment, for diversion; and on that point let me say that it has become quite a place of refuge and of comfort in these trying times. Those who have their loved ones, their sons and their husbands and their fathers, serving in the armed forces, who are living under the constant strain, the constant torment of the news that may come, often go there to find some surcease from worry and some diversion in these days that are so trying for us all.

Mr. President, if it can reasonably be avoided I do not believe that we should add another burden, another tax, upon the privilege of attending motion-picture shows. I doubt very much that the proposed tax will cut down any attendance there. It is not going to be a burden upon the moving-picture theaters, and I hold no brief for that cause whatsoever, but it does lay an extra burden on those people who desire the benefit, the entertainment, the diversion, if you please, so much needed today.

It is for that reason, Mr. President, that I propose to the Senate now that

the tax upon admissions to moving-picture theaters be left alone; that a 10-percent tax, 1 cent upon each 10 cents or fraction thereof is sufficiently high. I therefore ask that the amendment may be adopted.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from West Virginia [Mr. REVERCOMB] to the committee amendment, as amended. [Putting the question.] The "nays" seem to have it—

Mr. REVERCOMB. I ask for a division.

On a division the amendment to the committee amendment, as amended, was rejected.

The VICE PRESIDENT. Without objection, the committee amendment, as amended, is agreed to.

Mr. MURRAY. Mr. President, I send to the desk an amendment and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 190, after line 4, it is proposed to insert the following:

SEC. 902. Sec. 201 (a) of the Social Security Act, as amended, is further amended by adding at the end of the subsection the following:

"There is also authorized to be appropriated to the trust fund such additional sums as may be required to finance the benefits and payments provided under this title."

Mr. MURRAY. Mr. President, in view of the fact that the committee amendment, which has already been agreed to, will freeze the social-security tax, this amendment is being proposed by me to make clear the intent which I understand the Committee on Finance had in mind in connection with this matter. In the report of the Finance Committee the following statement is made:

It is obviously true that the change to the basis of contingent reserves, as contemplated by the amended statutes, that Congress obligates itself in the future to make whatever direct appropriations (in lieu of appropriations for interest on bonds in reserve) are necessary to maintain the full and complete solvency of the old-age and survivors' benefits funds, because there could be no more solemn public trust. This is inherent in the decision made by Congress in 1939.

That statement is to be found on page 19 of the committee report.

Mr. President, in view of that statement in the report, and in view of the fact that the able Senator from Michigan [Mr. VANDENBERG] has stated—and I quote his exact language:

We pledge the Congress to an equivalent direct appropriation to social security to preserve the integrity of its obligations.

I believe that the amendment which I am proposing will be considered as non-controversial, and will be accepted as merely stating in the law what the Senate has implied by its previous actions and by the statement contained in the committee report.

Of course, I wish to make it clear that I was opposed to the freezing of the social-security tax. However, in view of the fact that the Senate has voted to freeze this tax, I think that the Senate should in good faith enact this necessary

legislation to clarify the provision in the law, and to make the long-run financing of the insurance program completely clear.

I think it was made very clear in the debate that that was the intent, and therefore, as I say, the intent should be stated in the bill so there can be no doubt about it.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. VANDENBERG. So far as the principle contained in this amendment is concerned I completely agree with the Senator from Montana. I know of no particular reason why it should not be stated as indicated in the Senator's amendment. I want to make it perfectly clear, however, that this carries with it, so far as I am concerned, and so far as the record is concerned, no implication that any additional sums are necessary now or in the foreseeable future. So far as the immediate situation is concerned, it is perfectly obvious that the current pay-roll-tax collections will be probably four times the sums required to finance the "benefits and payments provided under this title" for the coming year. And when the existing reserves, without any additional collections whatever, are added, it is the testimony of the Social Security Board itself that the funds available are 11 times the "benefits and payments provided under this title" at the highest peak in the next 5 years. I insist that the amendment has no immediate application, it has no immediate menace, it contemplates and anticipates no immediate appropriation; but as the statement of a principle, I agree with the amendment completely, and so far as I am concerned, I have no objection to its inclusion in the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MURRAY].

The amendment was agreed to.

Mr. CLARK of Missouri. Mr. President, I call up an amendment which lies on the desk, which I offer, and ask to have read.

The VICE PRESIDENT. The amendment will be read.

The LEGISLATIVE CLERK. On page 64, after line 6, it is proposed to insert the following:

SEC. —. Unused excess-profits credit.

(a) Section 710 (c) (3) of the Internal Revenue Code is amended by inserting after subparagraph (B) the following new subparagraph:

"(C) Certain reorganized railroad corporations and predecessor corporations deemed to be same taxpayer: For the purposes of this subsection, if the basis of the property of a railroad corporation, as defined in section 77m of the National Bankruptcy Act, as amended, is prescribed by section 113 (a) (20), the acquiring corporation and the corporation whose property was acquired, within the meaning of section 113 (a) (20), shall be deemed to be the same taxpayer."

(b) Taxable years to which applicable: The amendment made by this section shall be applicable to taxable years beginning after December 31, 1939.

Mr. CLARK of Missouri. Mr. President, the purpose of the amendment is to

correct an obvious and, I am very certain, an unintentional discrimination in the law as it now exists. In the present state of the law, a very material difference is made between railroad corporations which have reorganized and maintained their theretofore existing corporate structure, and railroads in connection with the reorganization of which, by reason of the local law, it has been necessary to form a new corporation. I do not think that was ever the intention of the Congress, in the first place. I think it should be corrected. I do not think there is any basis of distinction as to the carry-over—and that is all the amendment applies to—as between corporations which are organized in States where they are permitted to reorganize with the old corporation in existence and corporations located in States where the local law is different, and where they are required to form a new corporation.

I am frank to say that this matter was not called to my attention in time for it to be offered in the Finance Committee. All that I ask now is that the Senator from Georgia take the amendment to conference and, if he finds merit in the proposition, that he endeavor to keep it in the bill.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield for a question?

Mr. CLARK of Missouri. I yield.

Mr. JOHNSON of Colorado. I have no objection to the amendment—in fact, I am supporting it—but I desire to know where the amendment would go into the bill? Would it go into section 117, on page 64?

Mr. CLARK of Missouri. Mr. President, inasmuch as I was requesting that the matter be taken to conference, I did not specify the physical place in the bill where it should be inserted. I did provide specifically as to the section of existing law which should be modified; and if the conferees thought well of the proposition, I think they would be able, in drafting the final conference report, to locate the proper place.

Mr. JOHNSON of Colorado. That is a very important parliamentary point, Mr. President, for the reason that none of the language in section 115 pertains to railroad reorganizations.

Mr. CLARK of Missouri. Mr. President, I offered the amendment, as it provides, to be inserted in the bill on page 64, after line 6.

Mr. JOHNSON of Colorado. Very well.

Mr. CLARK of Missouri. I offered the amendment to be inserted on page 64, after line 6 of the amendment offered by the Senator from Georgia, and heretofore adopted by the Senate. There was no opposition to the adoption of the amendment. I propose to have my amendment inserted in the bill after the amendment offered by the Senator from Georgia and agreed to by the Senate.

Mr. JOHNSON of Colorado. That is entirely agreeable. However, I desire to be sure that the amendment goes into the bill at that place.

Mr. CLARK of Missouri. If the Senator will read the amendment, which has been printed, he will observe that at the

beginning of the amendment it is stated "Amendment intended to be proposed by Mr. CLARK of Missouri to the bill (H. R. 3687) to provide revenue, and for other purposes, viz: On page 64, after line 6, insert the following."

Mr. JOHNSON of Colorado. That is entirely satisfactory.

Mr. CLARK of Missouri. To be sure, Mr. President, the number of the section has been left blank, because that is a matter of draftsmanship which the drafting clerks of the conference would necessarily have to fill in if the amendment is retained by the conferees.

Mr. JOHNSON of Colorado. I now have a printed copy of the Senator's amendment before me, and the amendment is entirely satisfactory.

Mr. GEORGE. Mr. President, the amendment offered by the Senator from Missouri raises certain highly controversial questions, but I will not oppose taking it to conference and examining it in conference on its merits.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. CLARK].

The amendment was agreed to.

Mr. GEORGE. Mr. President, I offer an amendment which I send to the desk and ask to have stated, following which I shall make a brief explanatory statement.

The VICE PRESIDENT. The amendment offered by the Senator from Georgia will be stated.

The LEGISLATIVE CLERK. On page 108, after line 2, it is proposed to insert the following new section:

SEC. 209. Exempt corporations.

(a) Section 727 (h) of the Internal Revenue Code is amended by adding at the end thereof the following new sentence: "For the purposes of this paragraph, such exclusion shall also be made in determining the unused excess-profits credit for such year."

(b) The amendment made by this section shall be effective as of the date of the enactment of the Excess Profits Tax Act of 1940.

Mr. GEORGE. Mr. President, the purpose of this amendment is to provide an excess-profits-credit carry-over for air transport companies for purposes of section 727 (h) of the code, computed consistently with the excess-profits-tax exemption now provided for them under that section.

Under section 727 (h), such companies are exempt from excess-profits tax if, in effect, their excess-profits credit equals or exceeds their excess-profits net income from sources other than mail revenue. The intended effect of this provision was to exempt mail revenue from the excess-profits tax if ordinary income was less than the excess-profits credit. However, a carry-over must be provided in those cases where ordinary income is less than the excess-profits credit in order to effectuate this policy.

This amendment carries out this policy, and treats the amount of the difference between ordinary revenue and the credit as an unused excess-profits credit, to be carried over as a part of the excess-profits-credit carry-over for the purpose of determining the status of the taxpayer

under section 727 (h) for any year which may be affected.

I should add, Mr. President, that I am asking the adoption of this amendment because the matter was discussed in one conference heretofore, and at the time of the discussion it was found that the bill then under consideration was not open in conference for such an amendment. At that time it was believed that an amendment could be formulated which would have Treasury approval. I should say frankly that the Treasury does not approve this amendment, but I have the feeling that it sets forth a sound public policy. I ask for its adoption by the Senate in order that it may have fuller consideration in the conference.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. GEORGE].

The amendment was agreed to.

Mr. GEORGE. Mr. President, I find one or two other amendments on the desk, but they are not being pressed at the moment by the Senators who submitted them. So far as I know, there is no other amendment to be considered to the tax title of the bill.

Mr. THOMAS of Oklahoma. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Oklahoma will be stated.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert the following:

Amend United States Code, 1940, title 26, section 122 (c), by striking the numeral (1) immediately after the letter (d).

Mr. THOMAS of Oklahoma. Mr. President, I should like to have the attention of the chairman of the committee.

I have just offered an amendment to the law and not to the bill. This amendment is offered to the code, title 26, section 122, relating to net operating loss deduction. It comes under (c), which relates to the amount of net operating loss deduction, and which reads as follows:

(c) Amount of net operating loss deduction.

The amount of the net operating loss deduction shall be the amount of the net operating loss carry-over reduced by the amount, if any, by which the net income (computed with the exceptions and limitations provided in subsection (d) (1), (2), (3), and (4)) exceeds, in the case of a taxpayer other than a corporation, the net income (computed without such deduction), or, in the case of a corporation, the normal-tax net income (computed without such deduction).

The provision of the code relating to exceptions and limitations reads as follows:

(d) Exceptions and limitations.

The exceptions and limitations referred to in subsections (a), (b), and (c) shall be as follows:

(1) The deduction for depletion shall not exceed the amount which would be allowable if computed without reference to discovery value or to percentage depletion under section 114 (b) (2), (3), or (4).



The real purpose of the amendment is to strike out what many conceive to be a discrepancy and an injustice to certain classes of taxpayers, both individual and corporate. Paragraph (1) has the effect in some instances of depriving taxpayers of the benefits of percentage depletion for all taxable years since 1938, or for a period of 5 taxable years.

I know that the amendment is a technical and complicated one, and, if it be agreeable, I should like to have it taken to conference. If it possesses merit I am sure the conferees will do the proper thing by it, and if it does not I can have no objection if the amendment is not agreed to. I may say that this is the amendment with reference to which my colleague the junior Senator from Oklahoma [Mr. MOORE] prepared a rather lengthy letter and submitted it to the committee.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. THOMAS].

Mr. GEORGE. Mr. President, I do not know what the amendment means. It has not been printed.

Mr. THOMAS of Oklahoma. That is correct.

Mr. GEORGE. It is a complicated amendment. My attention has been called to the fact, however, that the amendment, or the substance of it, was offered in the committee and the committee rejected it. I do not feel at liberty to accept the amendment inasmuch as the committee as a whole passed upon it.

I know that the general effect of the amendment has heretofore been opposed by the Treasury, and inasmuch as the amendment was presented to the full committee and rejected by it, I feel obliged to oppose it. I cannot accept it.

Mr. THOMAS of Oklahoma. Mr. President, as a part of my remarks, and as a further explanation of the amendment, I submit for the RECORD a copy of the letter which was addressed by my colleague the junior Senator from Oklahoma to the Senator from Georgia under date of November 29, 1943. The letter explains the matter in detail. In the event the amendment should be agreed to by the Senate and then, after experts have passed on it, it should be held by the conferees not to have merit, I, of course, would have no objection and would interpose none. I should like to have the amendment go to conference for study in harmony with the suggestion made in the letter submitted by my colleague the junior Senator from Oklahoma.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD.

The letter referred to is as follows:

WASHINGTON, D. C., November 29, 1943.  
Senator WALTER F. GEORGE,  
Chairman, Senate Committee on Finance.  
MY DEAR SENATOR: There is now pending before your committee certain amendments to the Internal Revenue Code recently passed by the House, and, in this connection, the effect of section 122 (c), as applied to oil, gas, coal, and other natural-resource producers in certain cases, has been called to my attention.

Section 114 (b) of the Revenue Code permits an allowance for depletion for oil and gas wells, coal mines, and metal mines. In the case of oil and gas wells, the allowance for depletion, under section 23 (m) of the code, is 27½ percent of the gross income from the property during the taxable year, excluding rents or royalties paid or incurred by the taxpayer. Such allowance may not exceed, however, 50 percent of the net income of the taxpayer from the property (computed without allowance for depletion).

Section 122 (c) provides:

The amount of the net operating-loss deduction shall be the amount of the net operating-loss carry-over reduced by the amount, if any, by which the net income (computed with the exceptions and limitations provided in subsection (d) (1), (2), (3), and (4) exceeds, in the case of a taxpayer other than a corporation, the net income (computed without such deduction), or, in the case of a corporation, the normal-tax net income (computed without such deduction).

Section 122 (d) (1) provides:

The deduction for depletion shall not exceed the amount which would be allowable if computed without reference to discovery value or to percentage depletion under section 114 (b) (2), (3), or (4).

It will, therefore, be apparent that section 122 (c), in permitting a net operating loss carry-over and a net operating loss carry-back to the taxable year, in determining the net operating loss deduction, limits

(a) Example:

	1941	1942	Projected period		
			1943	1944	1945
Normal tax, net income or loss.....	\$45,000	\$50,000	<sup>1</sup> \$595,000	<sup>1</sup> \$65,000	\$400,000
Excess of percentage over cost depletion.....	105,000	110,000	95,000	100,000	150,000
Net gain or loss.....	150,000	160,000	<sup>1</sup> 500,000	35,000	550,000
Application.....	<sup>1</sup> 150,000	<sup>1</sup> 160,000		<sup>1</sup> 35,000	155,000
Taxable income.....					395,000

<sup>1</sup> Loss.

(b) Comparable example (same aggregate income):

Net gain or loss.....	\$79,000	\$79,000	\$79,000	\$79,000	\$79,000
Excess of percentage over cost depletion.....	105,000	110,000	95,000	100,000	150,000
No taxable income.....	<sup>1</sup> 26,000	<sup>1</sup> 31,000	<sup>1</sup> 16,000	<sup>1</sup> 21,000	<sup>1</sup> 71,000

<sup>1</sup> Loss.

In each case, for the 5-year period, the aggregate net income is \$395,000. The lucky producer with an equal distribution of earning pays no tax and could have realized, on the same distribution basis, an additional net income of \$165,000 or a total net income of \$560,000 without any tax liability. The hard luck producer has an aggregate net income of \$395,000 and pays tax on every dollar of it.

Section 114 (b) provides for percentage depletion. It is a relief section of the law which grants a special privilege to producers of oil and gas, due to the hazardous nature of such a business. It places oil, gas, and other natural resource businesses on an equitable basis with other business enterprises. Its purpose must be to do that particular thing based on the accumulated evidence, or else it has no just or proper place in the tax laws.

All of the reductions with respect to a usable loss (and there are no net additions under subsection (d) even though the words "exceptions, additions, and limitations" are used) are in respect of tangible transactions (resulting in cash in the till) excepting (d) (1)—excess of percentage depletion. The tangible transactions are subject to control without any disastrous consequences to an enterprise and are not apt to be, in the years

depletion for the year in which the net operating loss deduction is claimed to cost depletion, thereby depriving the taxpayer of the benefit of percentage depletion in excess of cost depletion in that year. This, of course, could have the effect of depriving a taxpayer of the benefits of percentage depletion for all taxable years since 1938, or for a period of 5 taxable years.

It is suggested for your consideration that, in order to remedy this injustice, section 122 (c) should be amended by striking therefrom the reference to subsection (d) (1), and the amendment should be applicable to all taxable years beginning after December 31, 1938.

I cannot believe that Congress intended to deprive a taxpayer of statutory depletion as a condition to carrying over a net operating loss from a preceding year or carrying back a net operating loss for a succeeding year where, in computing such net operating loss, percentage depletion is eliminated. I can see why an allowance for statutory depletion should be eliminated in arriving at a net operating loss sustained in some previous or subsequent years, but this should not deprive the taxpayer of his right to percentage depletion, which right is granted to his competitors who have been fortunate enough not to have sustained a net operating loss in a preceding or succeeding year.

The following examples will serve to illustrate the inequitable and unjust application of section 122 (c):

immediately preceding or following a loss year, of material consequence. Percentage depletion, the excess thereof over cost, cannot so readily be manipulated, in fact, cannot be changed in any consequential amounts excepting through changes in operations and no accurate results could possibly be calculated by any manner of scheduled changes.

In example (A) no benefit whatever was derived from percentage depletion, while in example (B) excess percentage depletion was advantageously used to the extent of \$395,000 and could have been used to the extent of the full amount thereof or \$560,000. For the (A) enterprise, section 114 (b) might as well not have been a part of the act.

On the basis of a 40 percent corporate tax, the (A) enterprise retained only \$237,000 of its aggregate income while the (B) enterprise retained the full amount of \$395,000 and could have, had its earnings been ratably increased, retained \$560,000.

Section 114 (b) balance against section 122 (c) deprives the unfortunate enterprise of all of the benefits of percentage depletion until all benefits of the net operating loss deductions are used. Both cannot be used to advantage. A net operating loss in any one year must exceed the excess percentage depletion allowable in the first application

year or it cannot be used to any advantage whatsoever.

Excess percentage depletion should not be one of the exceptions, additions, and limitations contained in subsection (d) of section 122 as it is a special concession for the purpose of placing a hazardous exploitation enterprise on an equal basis with other business enterprises. It surely was not the intention of Congress to use any of the amounts contained in the application year to further reduce the net operating loss deduction correctly computed with respect to all other periods for application with respect to tax computation for that year. If such is the intention, it voids every section or subsection of the revenue act granting the various rights and privileges to all taxpayers alike, with respect to certain taxpayers who are unfortunate and have, within a period of 5 years, one or more net operating loss years. And this is for every year within the period or until the loss is offset or used. A loss that is more than offset by allowable exceptions, additions, and limitations in the first application year is of no use whatsoever.

I call your attention to the example appearing in section 19.122-2 (p. 378) of regulations 103.

The X corporation of the example was a producer of oil or of some natural commodities. In the loss year of 1940, the loss as ordinarily computed for tax purposes is reduced by the following items:

Tax exempt interest (net).....	\$20,000
Excess of percentage depletion over cost.....	70,000
Excess of long-term capital losses over gains.....	10,000

Total reduction of loss..... 100,000

The ordinary tax report loss of \$200,000 was reduced to \$100,000.

In the application year of 1942 a normal-tax net income of \$445,000 was increased to \$450,000. A difference of only \$5,000, representing any or all of the same class of exceptions, additions and limitations aggregating \$100,000 in the loss year of 1940. Either the company dispensed with all or the major portion of its producing properties, and there is no indication of such an occurrence, or something else out of the ordinary happened. The ordinary result would be an increase in the excess of percentage depletion over cost depletion in a net income year and certainly not a reduction from \$70,000 to \$5,000 or a lesser amount.

Other examples illustrating the unfairness of section 122 (c) and its inequitable application to taxpayers who should be entitled to a loss carry-over or a loss carry-back without forfeiting their right to statutory depletion are hereto attached.

The attention of your committee to this matter, in connection with its consideration of the Revenue Act of 1943, will be appreciated.

Yours very truly,

E. H. MOORE.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. THOMAS].

Mr. GEORGE. Mr. President, I regret that I cannot take the amendment to conference. Since the letter addressed to me by the junior Senator from Oklahoma has been mentioned, I recall that this subject deals with one of the most highly controversial provisions in our revenue law. It deals with the percentage depletion allowance. The effect of this amendment would be to undo a policy which the committee and the Senate adopted in 1939. It may be that

there should be a reexamination of it, but inasmuch as the amendment was rejected by the full committee and falls within a highly controversial field, I believe that it would be a mistake to put it into this bill even for conference purposes. I will say to the Senator that in connection with the technical and administrative bill which unquestionably will be taken up by the House Ways and Means Committee at a very early date this particular amendment would be a very proper subject matter for study and could then have the advantage of committee judgment both in the House and Senate. I hope the amendment will not be agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS].

The amendment was rejected.

Mr. AIKEN. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 41, at the end of line 16, it is proposed to strike out the period and the quotation marks and insert a semicolon and the following: "or (7) which is an organization exempt under section 101 (12) or (13)."

Mr. AIKEN. Mr. President, the amendment would exempt under section 112 of the bill, which was not stricken out yesterday, certain farm cooperative organizations which will be unduly hit by that provision.

Mr. GEORGE. Mr. President, I am obliged to make a point of order on this amendment. Yesterday after lengthy debate we adopted section 112. This amendment is an attempt to reopen the debate. I make the point of order that the amendment is not in order.

The VICE PRESIDENT. The point of order is not sustained.

Mr. TOBEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Pepper
Andrews	Gurney	Radcliffe
Austin	Hawkes	Revercomb
Bailey	Hayden	Robertson
Ball	Holman	Russell
Bankhead	Johnson, Colo.	Shipstead
Barkley	Kilgore	Stewart
Bilbo	La Follette	Taft
Bone	Langer	Thomas, Idaho
Burton	Lodge	Thomas, Okla.
Bushfield	McCarran	Thomas, Utah
Butler	McClellan	Tobey
Byrd	McFarland	Truman
Capper	McKellar	Tunnell
Caraway	Maloney	Tydings
Chavez	Maybank	Vandenberg
Clark, Mo.	Mead	Van Nuys
Danaher	Millikin	Wagner
Davis	Moore	Wallgren
Downey	Murdoch	Walsh, Mass.
Eastland	Murray	Walsh, N. J.
Ellender	Nye	Wheeler
Ferguson	O'Daniel	White
George	O'Mahoney	Wiley
Gillette	Overton	Willis

The PRESIDING OFFICER (Mr. MURDOCK in the chair). Seventy-five Senators having answered to their names a quorum is present.

Mr. AIKEN. Mr. President, I am proposing this amendment which, frankly, exempts farm cooperatives from the necessity of filing returns to the collector of internal revenue as is required by section 112 of the pending bill. I am offering the amendment for two reasons: First, because I do not believe the situation was fully understood by some Members of the Senate on the floor yesterday; and secondly, because it would provide a measure of relief for those organizations which will be hit hardest by the provisions of section 112.

I believe that some of the Members of the Senate got the impression yesterday that farm organizations were not opposed to the provisions of this section. This morning I have received from two of those organizations letters explaining their stand in the matter. The first is from the National Cooperative Milk Producers' Federation, which, as is well known, is made up of small and large dairy associations in virtually every State in the Union. The letter reads as follows:

THE NATIONAL COOPERATIVE  
MILK PRODUCERS' FEDERATION,  
Washington, D. C., January 19, 1944.  
HON. GEORGE D. AIKEN,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR AIKEN: Our organization has given careful consideration to the provisions of section 112 of the revenue bill of 1943 which, if passed, will require cooperative organizations to file annual income-tax returns, notwithstanding their exempt status by act of Congress of many years standing.

In view of the existing law and the regulations of the Bureau of Internal Revenue, respecting the tax-exempt status of bona fide cooperative organizations, it is difficult for us to see the need for a requirement that they now file annual tax returns.

As you are aware, under the present law cooperatives must make a showing in order to secure a certificate of exemption from the Commissioner of Internal Revenue. The regulations in this regard are both precise and exacting and if a cooperative organization is not conducting its business consistent with the theory of the statutory exemption and the regulations of the Commissioner, the certificate of exemption is denied such organization.

Apparently the impression prevails that cooperatives are the same as ordinary business corporations, namely, that they are in business for profit and that their exemption from income taxation is in the nature of a special privilege granted by the Government. This, of course, is entirely an erroneous conception of the method in which exempt cooperatives operate. The savings that are effected by a cooperative through its cooperative method of doing business are in no sense profit to the cooperative. Rather, they are the savings of the patrons and the exemption from income taxation is not an exemption in fact at all, but a recognition that such organizations do not engage in business for profit to themselves.

It seems to us that the passage of section 112 will impose an intolerable burden both upon the Treasury Department, Bureau of Internal Revenue, as well as upon the more than 10,000 cooperatives presently operating throughout the country. It will add both to the overhead expense of the cooperative as well as to the Government since it may be presumed that the returns will be examined and audited by the Treasury Department.



We feel that nothing is to be accomplished in requiring cooperatives to file annual returns and it is the position of our organization that cooperatives should be excluded from the provisions of section 112.

Sincerely yours,

CHAS. W. HOLMAN,  
Secretary.

The second letter is from the National Council of Farmer Cooperatives, which is an organization of cooperatives also from virtually every State in the Union, handling all kinds of farm produce. The letter, which is dated January 19, reads as follows:

NATIONAL COUNCIL OF  
FARMER COOPERATIVES,  
Washington, D. C., January 19, 1944.  
Hon. GEORGE D. AIKEN,  
United States Senate,  
Washington, D. C.

MY DEAR SENATOR AIKEN: Re section 112, H. R. 3687, I attach herewith copy of my statement before the Senate Finance Committee and a letter directed to Members of the Senate dated January 14 regarding the above.

The National Council of Farmer Cooperatives, representing over 2,300,000 farmers affiliated with thousands of farmer cooperatives, is opposed to the filing of annual detailed reports for the following reasons:

1. These cooperatives are now filing reports currently with the Commissioner of Internal Revenue for the purpose of showing the character of their operations. If this information is not sufficient and Congress wishes additional information, the Commissioner of Internal Revenue can change the form accordingly. Cooperatives are now subject to continuous examination by the Government for the purpose of determining their tax status under the provisions of the tax law.

2. Bona fide farm cooperatives are essentially partnerships of farmers and are non-profit in their operations.

3. It would be impossible for a farm cooperative to fill out the form of income-tax return prescribed for an ordinary business corporation because that form calls for a showing of profit and loss. A true farmer cooperative can make no profit or loss.

4. The adoption of a new filing requirement would be a needless and burdensome expense both on the part of the cooperatives and the Government. It would require additional personnel and result in the extension of Government control. On the other hand, I want it clearly understood that farmer cooperatives have nothing to conceal from either the Members of Congress or the American public. It does, however, seem unwise to require on the part of 10,500 farmer cooperatives the filing of annual detailed reports when these associations are already filing reports with one agency of the Government and are subject to current examination by the same agency.

Sincerely yours,

EZRA T. BENSON,  
Executive Secretary.

Mr. President, I have here for the inspection of any Senator the questionnaire which all farmers' cooperative associations have to fill out before they are certified for exemption from filing these returns. I ask unanimous consent that the questionnaire be printed in the RECORD, so that Senators may have some idea of what they are called upon to answer.

The PRESIDING OFFICER. Is there objection?

There being no objection, the questionnaire was ordered to be printed in the RECORD, as follows:

QUESTIONNAIRE FOR FARMERS', FRUIT GROWERS', OR LIKE ASSOCIATIONS CLAIMING EXEMPTION UNDER SECTION 101 (12) OF THE INTERNAL REVENUE CODE AND THE CORRESPONDING PROVISIONS OF PRIOR REVENUE ACTS

State of \_\_\_\_\_  
County of \_\_\_\_\_, ss:

\_\_\_\_\_ deposes and says that he  
(Name of affiant)

is the \_\_\_\_\_ of the  
(Title of affiant)

\_\_\_\_\_ located at  
(Full name of association)

\_\_\_\_\_ and that  
(Full address, street and number)

the following answers and statements relative to the year ended \_\_\_\_\_, 19\_\_\_\_

(Fiscal or calendar year on basis of which your books are kept)

are true to the best of his knowledge and belief:

1. Date association was organized \_\_\_\_\_
2. Purpose for which organized \_\_\_\_\_
3. Is the association incorporated? \_\_\_\_\_

(Yes or no)

If so, state:

- (a) Date incorporated \_\_\_\_\_
- (b) Under the laws of what State? \_\_\_\_\_
4. State the amount of each class of capital stock outstanding and the value of the consideration for which it was issued \_\_\_\_\_

(a) State the rate of dividend paid on each class of such capital stock \_\_\_\_\_

5. State the amount of each class of capital stock owned by: <sup>1</sup>

- (a) Producers \_\_\_\_\_
- (b) Nonproducers \_\_\_\_\_
- (c) Persons who were nonproducers at the time stock was acquired \_\_\_\_\_

6. State the circumstances surrounding the acquisition of your capital stock by nonproducers: <sup>1</sup>

(a) What provision is made for retiring the capital stock held by nonproducers? \_\_\_\_\_

7. If the association issues any nonvoting preferred stock, explain whether the owners thereof may participate in the profits of the association, upon dissolution or otherwise, beyond the fixed dividends \_\_\_\_\_

8. What is the legal rate of interest in the State in which the association is incorporated? \_\_\_\_\_

9. Does the State law require the maintenance of a reserve? \_\_\_\_\_ If so,

(Yes or no)

state the amount of such reserve, \$ \_\_\_\_\_

10. Does the association maintain any reserves other than required by the State law? \_\_\_\_\_ If so, state:

(Yes or no)

(a) Amount of each reserve \_\_\_\_\_

(b) Purpose for which each reserve is maintained \_\_\_\_\_

11. What are the requirements for membership in the association? \_\_\_\_\_

12. Does the association deal with both members and nonmembers? \_\_\_\_\_

13. State the value of products marketed during the year for:

- (a) Members <sup>2</sup> \_\_\_\_\_ \$ \_\_\_\_\_
- (b) Nonmembers \_\_\_\_\_ \$ \_\_\_\_\_

14. State the value of purchases made during the year for:

- (a) Members <sup>2</sup> \_\_\_\_\_ \$ \_\_\_\_\_
- (b) Nonmembers \_\_\_\_\_ \$ \_\_\_\_\_

15. State the value of purchases made during the year for persons who are neither

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members nor producers. (Do not include this amount in item 14 (b)) \_\_\_\_\_ \$ \_\_\_\_\_

16. State fully the manner in which distribution is made of the proceeds of products marketed for:

- (a) Members \_\_\_\_\_
- (b) Nonmembers \_\_\_\_\_

17. State fully the plan followed in charging for supplies and equipment purchased for:

- (a) Members \_\_\_\_\_
- (b) Nonmembers \_\_\_\_\_

18. Does the association pay patronage dividends? (Yes or no) \_\_\_\_\_ If so, explain how such payments are made and whether in cash or otherwise:

- (a) Members \_\_\_\_\_
- (b) Nonmembers \_\_\_\_\_

19. Is the information contained herein representative of the purposes and activities of the association since January 1, 1925, or date of organization, if organized subsequent to that date? (Yes or no) \_\_\_\_\_ If not, state the changes that have occurred and dates of such changes \_\_\_\_\_

20. Has the association filed income-tax returns? (Yes or no) \_\_\_\_\_ If so, for what year or years? \_\_\_\_\_

21. Attach to this questionnaire a classified statement of the receipts and expenditures of the organization during the year covered by this questionnaire and a complete statement of the assets and liabilities as of the end of that year; a copy of the articles of incorporation, if incorporated, or if not incorporated, a copy of the constitution, articles of association, or other document setting forth the aims and purposes of the organization; and a copy of the by-laws, or other similar code of regulations. (N. B.—A separate questionnaire and financial statements must be submitted for each year for which exemption is being claimed, beginning with the year 1924.)

A mere claim or contention by a corporation (or other organization) that it is exempt from income tax under section 101 of the Internal Revenue Code and the corresponding provisions of prior revenue acts, will not relieve the corporation from filing income-tax returns and paying the tax. Unless the Commissioner has determined that a corporation is exempt, it must prepare and file a complete income-tax return for each taxable year of its existence. Accordingly, every organization that claims to be exempt should furnish the information and data specified herein, together with any other facts deemed material to the question, with the least possible delay, in order that the Commissioner can determine whether or not it is exempt. As soon as practicable after the information and data are received, the organization will be advised of the Commissioner's determination, and if it is held to be exempt, no further returns of income will be required.

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Mr. VANDENBERG. Does the Senator know whether one original filing suffices in respect to the questionnaire he has just submitted? Is not that preliminary to the initial issuance of the certificate of exemption, and is not that the end of it?

Mr. AIKEN. I have not the exact information about that. I understand it has to be filed each year, but I will not be positive as to that.

Mr. GEORGE. Oh, no, Mr. President. They have to qualify under section 101, and thereafter they may change colors from year to year. The Department can call on them for additional information if it wishes to.

Mr. AIKEN. It can call on them every 6 months if it desires, can it not?

Mr. GEORGE. Yes; it can, but it does not, and we are trying to include in the pending bill some provision which would require it to do that.

Mr. VANDENBERG. That is the point I was suggesting. It does not seem to me that the initial questionnaire preceding certification is any substitute in respect to the proposal we are making, because it is conceded that many of the cooperatives, which I am sure the Senator from Vermont himself would concede if he studied the record, are not cooperatives any longer, in a tax-exemption sense. They take on that character after they have been certified, and after they have developed their operations. So, if I may say so to the Senator, I do not think the questionnaire is a substitute in protecting the Government against the only thing in which we are interested, so far as the Senate Committee on Finance is concerned, which is a cooperative that is misused for illegitimate purposes, not for cooperative purposes.

Mr. AIKEN. Mr. President, I dare say there are those who will organize cooperatives, and then take them over for personal profit, if they can do so, and I dare say there are those who get away with it. However, the Treasury has a means of catching up with them, if it has the time. That is also true, however, of others, engaged in other lines.

It so happens that I do not know of any cooperatives which would fall in the category suggested by the Senator from Michigan. In Vermont we require them to furnish such information to the Commissioner of Agriculture each year as he may request. I do not know what he requests at this time, but I assume that during these hard war days he is making it as easy as he can for them.

Mr. President, it seems to me that with the farm cooperatives playing the part they are playing in the food-production program, doing the things they are doing for the Federal Government, acting as distributors of feed and fertilizer and other farm commodities which a farmer has to purchase, we should not impose any heavier burden on them. They are taking over the Maine potato situation from the Federal Government. I do not know what the Federal Government would have done with the potatoes in Maine if there had not been two cooperatives there to handle the situation.

It seems to us that when they are having all this extra work, when all of us are raising a hue and cry against making it harder and harder for anyone and everyone to do business by requiring the filling out of more questionnaires and still more questionnaires, we should not impose this added burden at this time.

I shall not go into the benefits or lack of benefits provided by farm cooperatives. I think most of us know the work they are doing, but it is extremely important, especially during these days, when the Government is urging everyone to produce food so that the world may continue to eat what it should have to eat.

Mr. LANGER. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. LANGER. I have received hundreds of telegrams and letters and petitions, signed by farmers, who belong to cooperatives in North Dakota, and they are very much concerned about the additional work made necessary if the new requirement is complied with. They endorse the amendment offered by the Senator from Vermont.

Mr. AIKEN. Mr. President, I do not believe a great many farmer cooperatives are in a position to fill out regular income-tax returns. I think they are not in a position to go back over the years and figure out the information and furnish the data which would have to be furnished, which has accumulated over a period of years.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. GEORGE. The Senator persists in talking about making out income-tax returns. The section under discussion does not require that at all. It requires only that they show the gross receipts, from what source derived, and what they have done with them.

Mr. AIKEN. Does the Senator mean just three or four lines?

Mr. GEORGE. Yes; practically that is all it amounts to; and such other information as the Commissioner, with the approval of the Treasury, may ask for. That is all that is required.

Mr. AIKEN. I cannot imagine the Treasury Department sending out a questionnaire requiring answers covering only three or four lines, although I hope the time will come when the questionnaires will be much briefer than they are now.

Mr. GEORGE. The Senator persists in talking about income-tax returns, when that question is not at all involved in the controversy.

Mr. AIKEN. What I am trying to do this morning is to present the position of the farm cooperatives, which we did not present clearly yesterday, because we did not have the information from them. It should have been here so that it could have been given to the Senate yesterday.

The secretary of the Farm Bureau Federation called me this morning. Reference was made yesterday to the position of that organization. It appears they intended to back up the National Council of Farmer Cooperatives.

The National Council of Farmer Cooperatives at one time stated that they would not object to the enactment of the section under discussion, provided certain amendments were made to it. As I understand from the secretary of the American Farm Bureau Federation, they endorse the position taken by the National Council of Farmer Cooperatives.

Later, at their meeting in Chicago last week, the National Council of Farmer Cooperatives looked into the situation a little deeper and took an outright stand against section 112. But the American Farm Bureau Federation has had no meeting of its executive committee since, and therefore has had no opportunity to endorse and back up the final stand of the National Council of Farmer Cooperatives.

Mr. President, I hope the amendment will be agreed to. It is not accompanied by as many complications as was the provision we were considering yesterday.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. SHIPSTEAD. The bill before us is a revenue bill, and is introduced for the purpose of levying taxes on incomes and profits. The question now seems to me to be: Why is the provision in question contained in the bill, unless it be for the purpose of finding out if there is any tax evasion by any organization which has had a profit? As I understand, the cooperatives as such have no profits. They have income, but the income goes back to the individual members, who pay taxes on the income they individually receive.

Mr. AIKEN. That is usually required by State laws under which they are organized, or by their charter or their bylaws.

Mr. SHIPSTEAD. If a cooperative has an income at all, it is used to pay incidental expenses on which, of course, there is no tax to be paid. The cooperative may have a manager who receives a salary, and he pays an income tax on the salary he receives. If any money out of its treasury goes to the members, the members pay taxes on that money. Unless the purpose of the provision is to find out the source of revenue, I cannot understand why it should be contained in the tax bill.

Mr. AIKEN. Mr. President, we have heard that there is an organization with headquarters at Chicago, which was organized for the express purpose of limiting, or delimiting, farm cooperatives—an organization which intends to do away, if possible, with competition which its members have from farm cooperatives.

The usual procedure of a farm cooperative is to sell to its members at the prevailing price for the commodity. In fact, in some communities the cooperatives sell so much that in effect they fix the price. But they sell at the prevailing price; and then at the end of the year they refund to each of their members a certain amount in proportion to the purchases which the members have made from their own cooperative during the year. Some of these cooperatives are



very large. They do business very efficiently and economically. One cooperative has a membership of 180,000, with headquarters in New York State. Suppose that cooperative at the end of their year had \$1,800,000 to be turned back to its members, that would mean \$10 on an average to each of its members. It would not be very much. But suppose, after this entering wedge is established, that the opponents of the cooperatives go on step by step from there until they succeed in having that \$1,800,000 belonging to the 180,000 members taxed as corporation profits, then there would be virtually nothing whatsoever going back to the members of the cooperative, and there would be no inducement any longer for maintaining the cooperative.

I do not know whether the enemies of the cooperatives have that purpose in mind. But it is one thing that they could have in mind.

Mr. SHIPSTEAD. My understanding of a cooperative is that it is an institution organized for the purpose of providing a saving on purchases by means of cooperative buying.

Mr. AIKEN. It enables the farm people to do cooperatively what none of them could do individually. It enables them to buy by the carload instead of in small lots. It enables them to install systems of grading of their products which no one of them could do alone. It regulates quality to a large extent. I remember when farmers used to buy dirt under the name of fertilizer until the cooperatives got on the job and brought about regulation, and the farmers obtained fertilizer of higher-grade material. I remember when we used to buy grass seed which was full of weeds and grain which was full of chaff.

Mr. SHIPSTEAD. Is it not true that if any profits are made above expenses the profits go to the individuals?

Mr. AIKEN. The profits are returned to the individual members.

Mr. SHIPSTEAD. And the individual member pays a tax on what he receives?

Mr. AIKEN. The individual pays a tax on it; yes.

Mr. HOLMAN. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. HOLMAN. It is my notion that farm cooperatives are intended to overcome a disadvantageous position occupied by farmers when they are unorganized in their buying and selling. The farmers are required to sell at wholesale prices and to buy at retail prices, and the idea of a farm cooperative is to reverse that process.

Mr. AIKEN. The Senator is correct in that the farm cooperative often enables the farmer to buy at more nearly wholesale prices, and I certainly hate to see any additional burden placed upon these organizations at this time.

Mr. GILLETTE obtained the floor.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. GILLETTE. Yes.

Mr. VANDENBERG. I wish to comment very briefly on one thing the able Senator from Vermont said. I do not believe that he intended to imply that

the inspiration for the attitude of the Senate Finance Committee on this proposition is opposition to cooperatives.

Mr. AIKEN. Absolutely not. I think I understand the position of the members of the committee, and I know that they are not party to such purpose as that for which our friends in Chicago have organized.

Mr. VANDENBERG. I thank the Senator for his forthright statement, because I think we are entitled to have him make it. I doubt if the Record will disclose any stauncher friend of cooperatives in the Senate than I have been. I believe in the cooperatives. But I also believe that it is good for legitimate cooperatives to run out illegitimate cooperatives, and I think that in the long run legitimate cooperatives are safer and stronger in proportion as they are defended against the prostitution of the great idea upon which they are organized.

There are cooperatives in this country using the name but violating the principle. The sole purpose of the amendment is to undertake to obtain the information which will identify that fact, and when that fact is identified tax evasion has been identified. Furthermore, Mr. President, all tax evasion must stop in this country if we are going even remotely to approximate the revenues we must raise.

Mr. AIKEN. Mr. President, will the Senator yield briefly?

Mr. GILLETTE. I yield.

Mr. AIKEN. I have in mind one small store, not in my State, which has a sign "Cooperative" over it. I am satisfied that it is owned by an individual, but I am also satisfied that that man makes his return to the Commissioner of Internal Revenue as an individual and not as a cooperative. He is not exempt from making his return because he uses a name to which he has no right.

Mr. GILLETTE. Mr. President, shortly before the holiday recess of Congress I introduced a bill which was designed, through means of a so-called profits tax, to control, or perhaps limit and restrict if not control, the pending threat of a runaway boom in land prices. The bill, in theory at least, was a revenue raising measure, and as such had no constitutional place in this body. At the time I introduced it I announced my intention of offering it as an amendment to the first revenue bill to be considered by the Senate, which of course is the pending measure. I requested the eminent chairman of the committee, during the holiday recess, if possible, to appoint a subcommittee to consider the provisions of the proposal, because it was somewhat intricate, and while he earnestly tried to do so, his time was so limited, and the demands on him so great, that he was unable to do it.

While I have offered it as an amendment, and it is now on the table, I have conferred with the distinguished chairman, and it has been suggested that I not call it up at this time. A number of Senators have asked me if it was my intention so to do. But it seems there is a very good probability that between now and the next revenue bill to come to the

Senate, which will be very soon, there will be an opportunity for study by a subcommittee of the provisions of this proposal, so that its effect can be fully known.

In view of that assurance by the chairman of the Committee on Finance, I announce that I have no intention of calling up the amendment to the pending revenue bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN].

Mr. GEORGE. Mr. President, I sincerely hope that the amendment will not prevail. As was stated during the debate, this proposal came before the Finance Committee three times. On three occasions the committee voted on it. Yesterday, after 3 hours of debate, with no Member of the Senate offering this section to perfect the amendment at that time, the Senate decided that it would retain the House provision in the bill.

No true farm cooperative need be afraid. The tremendous anxiety of the cooperatives leads me to believe that there are some of them which ought to be examined.

Let me read the law to indicate what will be exempted if the amendment prevails. The Senator from Vermont proposes to exempt all corporations organized under subparagraphs 12 and 13 of section 101 of the Internal Revenue Code. I shall read subparagraphs 12 and 13:

(12) Farmers', fruit growers', or like associations organized and operated on a cooperative basis (a) for the purpose of marketing the products of members or other producers, and turning back to them the proceeds of sales, less the necessary marketing expenses, on the basis of either the quantity or the value of the products furnished by them—

A perfect description of a commission merchant who is doing a legitimate business and paying the tax, to the extent that he deals for persons not members of the organization—

or (b) for the purpose of purchasing supplies and equipment for the use of members or other persons, and turning over such supplies and equipment to them at actual cost, plus necessary expenses. Exemption shall not be denied any such association because it has capital stock, if the dividend rate of such stock is fixed at not to exceed the legal rate of interest in the State of incorporation or 8 percent per annum, whichever is greater, on the value of the consideration for which the stock was issued, and if substantially all such stock (other than nonvoting preferred stock, the owners of which are not entitled or permitted to participate, directly or indirectly, in the profits of the association, upon dissolution or otherwise, beyond the fixed dividends) is owned by producers who market their products or purchase their supplies and equipment through the association; nor shall exemption be denied any such association because there is accumulated and maintained by it a reserve required by State law or a reasonable reserve for any necessary purpose. Such an association may market the products of nonmembers in an amount the value of which does not exceed the value of the products marketed for members, and may purchase supplies and equipment for nonmembers in an amount the value of which does not exceed the value of the supplies and equipment purchased for members, provided the value of the pur-

chases made for persons who are neither members nor producers does not exceed 15 percent of the value of all its purchases. Business done for the United States or any of its agencies shall be disregarded in determining the right to exemption under this paragraph.

Mr. President, the following would also be exempted:

(13) Corporations organized by an association exempt under the provisions of paragraph (12)—

Corporations now are organized by those who are exempted under the provisions of paragraph (12) which I have just read—

or members thereof, for the purpose of financing the ordinary crop operations of such members or other producers, and operated in conjunction with such association. Exemption shall not be denied any such corporation because it has capital stock, if the dividend rate of such stock is fixed at not to exceed the legal rate of interest in the State of incorporation or 8 percent per annum, whichever is greater, on the value of the consideration for which the stock was issued, and if substantially all such stock (other than nonvoting preferred stock)—

And so forth—

is owned by such association, or members thereof; nor shall exemption be denied any such corporation because there is accumulated and maintained by it a reserve required by State law or a reasonable reserve for any necessary purpose.

Mr. President, it is a matter of public record that these so-called farm cooperatives have done a volume of business approximating \$3,000,000,000 annually.

Mr. AIKEN. Mr. President, if the Senator will yield to me, let me inquire whether he infers that the 10,500 member organizations of cooperative associations are not true cooperatives. Does he mean that the letters I have received have not come from—

Mr. GEORGE. No, Mr. President; I do not infer anything. But I have stated that there are many organizations which have a colorable status under which they have obtained this exemption, and they have become nothing more or less than business enterprises.

But I have said in the beginning, and I say again, that I am not inferring anything. The honest farm cooperative association has nothing in the world to fear from making a return. Nobody would want to tax them. But are not the taxing powers of the Congress to have the right to take a look at many who simply have a colorable organization under which they are doing a vast volume of business? That is all the proposal is. The Senator from Vermont is proposing to let labor unions and everyone else under this provision make the returns, but he wants to take out only these special groups.

Mr. AIKEN. Mr. President, there is no comparison between the returns a labor union would have to make and the returns which would have to be made by a farm cooperative doing a half million or a million dollars' worth of business. I deem that the cooperatives which have written to me—this association representing 10,500 farm cooperatives—are all honorable cooperatives.

Mr. GEORGE. I would not question that they are honorable cooperatives.

Mr. AIKEN. But they are the ones that are protesting against this proposal.

Mr. GEORGE. No one is disputing their honesty. But here is the law, and I have read it:

(12) Farmers', fruit growers', or like associations—

Any group of farmers. I am a farmer; my entire investment is in farms. Any group of four or five or a dozen or any other number of farmers can organize; and so long as the organization is a farmers' cooperative, it is all right, and there never would be a proposal even to inquire as to whether it should be taxed. We can organize, and we can do the same amount of business for those who are not farmers, if we wish to do it. There is no way to prevent it; and yet cooperatives are not taxed.

Mr. AIKEN. Will the Senator permit me to explain the reason why it is necessary to permit a farm cooperative to do some business for nonmembers? If they are selling—

Mr. GEORGE. I am not explaining it, but I am saying that when there is a mere colorable organization, as some of them are—

Mr. AIKEN. Will the Senator let me explain?

Mr. GEORGE. Not in my time. The Senator may speak again if he wishes to do so.

Mr. AIKEN. There is a very good explanation.

Mr. GEORGE. I presume this is an effort to whittle down what the Senate did yesterday, whittle down the vote which was taken in this Chamber after 3 hours of debate, by exempting one of them at a time. But I think the Senator will be woefully deceived when the vote comes on this amendment, because I do not conceive that any Member of the Senate will be willing to ask for certain factual information from a large number of other organizations and exempt the farm cooperatives.

The true farm cooperative can make its report to the Bureau of Internal Revenue at the close of its business or fiscal year with practically no trouble at all. How long would it take any business organization to say what its gross receipts are, and from what source it received those revenues? It would not be expected to itemize every dollar, but it could state from what source the revenues were received, and to whom the money was paid. That is all that is asked, unless the Bureau of Internal Revenue, with the approval of the Treasury, wishes to ask some additional questions, which I concede it has a right to ask now if it wishes to do so.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Gurney	Radcliffe
Andrews	Hawkes	Revercomb
Austin	Hayden	Robertson
Bailey	Holman	Russell
Ball	Johnson, Colo.	Shipstead
Bankhead	Kilgore	Stewart
Barkley	La Follette	Taft
Bilbo	Langer	Thomas, Idaho
Bone	Lodge	Thomas, Okla.
Burton	McCarran	Tobey
Bushfield	McClellan	Truman
Butler	McFarland	Tunnell
Byrd	McKellar	Tydings
Capper	Maloney	Vandenberg
Caraway	Maybank	Van Nuys
Chavez	Mead	Wagner
Clark, Mo.	Millikin	Wallgren
Danaher	Moore	Walsh, Mass.
Downey	Murdoch	Walsh, N. J.
Eastland	Murray	Wheeler
Ellender	Nye	White
Ferguson	O'Daniel	Wiley
George	O'Mahoney	Willis
Gillette	Overton	
Green	Pepper	

The PRESIDING OFFICER. Seventy-three Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the senior Senator from Oregon [Mr. McNARY]. I have no information as to how he would vote. If I were at liberty to vote, I should vote "yea." Under the circumstances, I withhold my vote.

Mr. WHITE (when Mr. HOLMAN's name was called). I am requested to announce that the junior Senator from Oregon [Mr. HOLMAN] has been obliged to leave the Chamber to attend to official business elsewhere. I am informed that he has a general pair with the junior Senator from Tennessee [Mr. STEWART]. I am not advised how the Senator from Oregon would vote if he were present.

Mr. STEWART (when his name was called). I have a general pair with the junior Senator from Oregon [Mr. HOLMAN]. I transfer that pair to the junior Senator from Pennsylvania [Mr. GURNEY], whom I am informed would, if present, vote "nay." I am, therefore, at liberty to vote, and I vote "nay."

Mr. WAGNER (when his name was called). I have a general pair with the Senator from Kansas [Mr. REED]. I transfer that pair to the senior Senator from Virginia [Mr. GLASS]. I am not advised how either Senator would vote if present. I vote "nay."

The roll call was concluded.

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Rhode Island [Mr. GERRY], and the Senator from South Carolina [Mr. SMITH] are necessarily absent.

The Senator from Texas [Mr. CONNALLY], the Senator from Utah [Mr. THOMAS], the Senator from California [Mr. DOWNEY], and the Senator from North Carolina [Mr. REYNOLDS] are detained in Government departments on matters pertaining to their respective States.



The Senator from Nevada [Mr. SCRUGHAM] is absent on official business.

The Senator from Pennsylvania [Mr. GUFFEY], the Senator from Alabama [Mr. HILL], and the Senator from Illinois [Mr. LUCAS] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is detained because of a slight cold.

The Senator from Kentucky [Mr. CHANDLER] has a general pair with the Senator from Pennsylvania [Mr. DAVIS].

The Senator from Utah [Mr. THOMAS] has a general pair with the Senator from New Hampshire [Mr. BRIDGES].

Mr. WHITE. The Senator from Oregon [Mr. McNARY] and the Senator from Iowa [Mr. WILSON] are absent because of illness.

The Senator from Maine [Mr. BREWSTER], the Senator from Delaware [Mr. BUCK], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Illinois [Mr. BROOKS] is absent on official business.

The Senator from New Hampshire [Mr. BRIDGES] has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from Kansas [Mr. REED] is necessarily absent. He has a general pair with the Senator from New York [Mr. WAGNER].

The Senator from Pennsylvania [Mr. DAVIS] is detained on official business. He has a general pair with the Senator from Kentucky [Mr. CHANDLER].

The result was announced—yeas 26, nays 44, as follows:

## YEAS—26

Alken	La Follette	Shipstead
Austin	Langer	Thomas, Idaho
Barkley	McCarran	Thomas, Okla.
Bone	McFarland	Tobey
Capper	McKellar	Wallgren
Chavez	Murdoch	Wheeler
Clark, Mo.	Murray	Wiley
Hayden	Nye	Willis
Johnson, Colo.	Pepper	

## NAYS—44

Andrews	Green	Revercomb
Bailey	Gurney	Robertson
Ball	Hawkes	Russell
Bilbo	Kilgore	Stewart
Burton	Lodge	Taft
Bushfield	McClellan	Truman
Butler	Maloney	Tunnell
Byrd	Maybank	Tydings
Caraway	Mead	Vandenberg
Danaher	Millikin	Van Nuys
Eastland	Moore	Wagner
Ellender	O'Daniel	Walsh, Mass.
Ferguson	O'Mahoney	Walsh, N. J.
George	Overton	White
Gillette	Radcliffe	

## NOT VOTING—26

Bankhead	Downey	McNary
Brewster	Gerry	Reed
Bridges	Glass	Reynolds
Brooks	Guffey	Scruggam
Buck	Hatch	Smith
Chandler	Hill	Thomas, Utah
Clark, Idaho	Holman	Wherry
Connally	Johnson, Calif.	Wilson
Davis	Lucas	

So Mr. AIKEN's amendment was rejected.

Mr. CLARK of Missouri. Mr. President, I send forward an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 57, before line 8, it is proposed to insert the following:

SEC. 115½. Reorganization by adjustment of capital structure prior to September 22, 1938.

(a) Section 113 (a) (relating to the basis of property) is amended by inserting at the end thereof the following:

"(23) Adjustment of capital structure prior to September 22, 1938: Where a plan of reorganization of a corporation, approved by the court in a proceeding under section 77B of the National Bankruptcy Act, as amended, is consummated by adjustment of the capital or debt structure of such corporation without the transfer of its assets to another corporation, and a final judgment or decree in such proceeding has been entered prior to September 22, 1938, then, notwithstanding the provisions of section 270 of the National Bankruptcy Act, as amended, the basis of the property of such corporation shall be unaffected by such proceeding. For the purpose of this paragraph the term 'reorganization' shall not be limited by the definition of such term in section 112 (g)."

(b) The amendment made by subsection (a) shall be effective as if it were a part of the Internal Revenue Code, the Revenue Act of 1938, and the Revenue Act of 1936, on the date of its enactment.

Mr. CLARK of Missouri. Mr. President, the purpose of this amendment is to send to conference the question of the proper construction of a statute which has heretofore been enacted by the Congress. It is a highly technical matter which I shall not undertake to detain the Senate at this time by explaining, but it has to do with the retrospective change of a ruling made by the Bureau of Internal Revenue, having to do with certain corporations whose reorganization under section 77B had been completed and approved by the Federal courts and had gone into effect and been established long before the change in the ruling by the Bureau of Internal Revenue. I am not asking the Senate to commit itself on the final determination of this matter, but I do think that it should be sent to conference in order that the conferees may examine the question as to whether or not there should not be uniformity of ruling with regard to this matter.

As I stated, the ruling is a retrospective ruling of the Bureau of Internal Revenue in which they changed the position they formerly took. If the Senator from Georgia would be willing to take the amendment to conference, I believe it might be very helpful.

Mr. GEORGE. Mr. President, I am not disposed to object to taking it to conference; but I will say to the Senator from Missouri that of course this is a controversial question.

Mr. CLARK of Missouri. I understand it is a controversial question, and I say very frankly to the Senator from Georgia that I shall not be disposed to oppose what may be the decision of the conferees. It seems to me that corporations affected have a square case, from instances which were called to my attention, and I did not think that they ought to be foreclosed by the passage of the tax bill without any consideration of it whatever.

It was not called to my attention in time to present the matter to the Finance Committee, and, if the Senator from

Georgia will be willing to take it to conference, I shall be entirely satisfied.

Mr. GEORGE. I am perfectly willing to take it to conference, because I think it is a question that ought to be carefully examined.

Mr. CLARK of Missouri. I agree entirely with the Senator from Georgia, and I will say in advance that I shall be disposed to adhere to the decision of the conferees.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. JOHNSON of Colorado. I should like to ask the Senator from Missouri a question. I have not had time and opportunity, of course, to read the amendment which he has offered, but I should like to know in what way it would affect any railroads undergoing reorganization.

Mr. CLARK of Missouri. It has nothing whatever to do with railroads. It relates to a general statute having to do with corporations which have heretofore concluded reorganization under section 77B, which have been wound up by the Federal courts that had charge of reorganization, and which are now affected by a reversal of a ruling by the Internal Revenue Bureau. As I say, I am not insisting in any degree whatever on the provisions of this amendment. I offer it for the purpose of having the matter sent to conference.

Mr. JOHNSON of Colorado. I understand, then, that it has nothing to do with any controversy that might later appear between security holders and bondholders and stockholders of railroad corporations.

Mr. CLARK of Missouri. As a matter of fact, Mr. President, the genesis of this amendment has to do with certain companies that had been through the wringer under section 77B without changing their existing corporate structure. I have particularly in mind the Long-Bell Lumber Co., of Kansas City, Mo., which by cutting down all interest and by an adjustment of the rights of the bondholders and the stockholders has been through the wringer without a change in its corporate structure. The reorganization has been approved by the Federal court and the reorganized company is actually engaged in business. Now, along comes the Internal Revenue Bureau and makes a reversal of its previous ruling. The purpose of this amendment is simply to accord to corporations which have not had a new corporate structure the same rights that would be accorded under section 77B to corporations which had reorganized their whole corporate structure.

I do not believe there is any possible objection to it, and as I have stated to the Senator from Georgia, I am perfectly willing for him to take it to conference and if there is any evidence adduced against the proposal, I shall be bound by the decision of the conferees in the matter.

Mr. JOHNSON of Colorado. Would the Senator from Missouri accept an amendment to his amendment with a proviso stating that "Nothing in this section shall be deemed to apply to rail-

roads undergoing reorganization or with respect to security holders, bondholders, or stockholders of such companies?"

Mr. CLARK of Missouri. Mr. President, so far as I am concerned, this amendment was drawn by the head of the staff of the Joint Committee on Internal Revenue Taxation. I believe it is the correct technical amendment. I believe it puts the question into conference, and, rather than inject into it some other questions that have nothing to do with it, I would rather have the amendment defeated.

Mr. JOHNSON of Colorado. Mr. President, I do not desire to defeat the Senator's amendment. I should like to have it go to conference. But of course we have had no opportunity to learn anything with respect to its effect upon the railroads undergoing reorganization.

Mr. CLARK of Missouri. I do not think it would have any effect whatever on railroads undergoing reorganization, but, as I have said, it is a highly technical matter, which was prepared, in full consideration of the problem involved in sending it to conference, by the head of the staff of the Joint Committee on Internal Revenue Taxation, and rather than accept amendments to the amendment with which I am not familiar, and the effect of which I do not know, I should rather have the whole amendment defeated.

Mr. JOHNSON of Colorado. I have just been informed by the staff that this amendment does not affect railroads undergoing reorganization.

Mr. CLARK of Missouri. That is not the purpose of it, as I have stated to the Senator.

Mr. JOHNSON of Colorado. I hope the Senator will bear with me. I want to be certain about this, because presently section 115 does not apply to railroads undergoing reorganization. There is nothing in the bill as it came over from the House which applies to railroads undergoing reorganization, and personally I do not now want to see anything go into section 115 that would make railroads a subject of conference between the House and the Senate. But I have been assured by the staff that this amendment does not affect railroads presently undergoing reorganization, so I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. CLARK].

The amendment was agreed to.

#### THE GRAIN SITUATION IN THE NORTHWEST—DIVERSION OF FREIGHT CARS TO CANADA

Mr. LANGER. Mr. President, we have had such beautiful weather in North Dakota in the latter part of 1943 and the first part of 1944 that we are competing with California and Florida in that regard, and it has conducted to a fine grain crop. I wish to call attention to a number of telegrams with relation to the grain situation in North Dakota and the proposal to divert 200 cars a day to hauling grain from Canada.

The farmers in North Dakota have a large amount of grain now lying on the

ground, and naturally they desire to have it hauled in to the elevators, but they find that all the elevators are plugged, practically, in every section of the State. Day after day I have been reading telegrams showing the terrible conditions, the elevators being plugged with grain, and the farmers being unable to deliver their grain to them.

Mr. President, that is not the whole story. We now find that an order has been issued sending 200 railroad cars to Canada in which to haul grain from Canada into the United States, all of which, of course, would be detrimental to the farmers of the United States, in view of the fact that they cannot get their grain to market.

I have here some telegrams which I wish to put into the RECORD. First is one from Max, N. Dak.:

Protest diversion of cars to Canada.

That is signed by the Equity Farmers Elevator Co., C. T. Jacobson, manager.

Another one is from Elgin, N. Dak., reading:

ELGIN, N. DAK., January 16, 1944.  
Senator WILLIAM LANGER,

Washington, D. C.:

Account shortage of grain cars it is necessary that we stop farmers hauling their grain in. We urge that action be taken to stop so many cars being furnished to Canada.

ELGIN FARMERS UNION ELEVATOR CO.

That is signed, also, by the Birdsall Elevator.

Mr. STEWART. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. STEWART. Has the Senator any information as to whether the movement of cars into Canada has already taken place?

Mr. LANGER. It has not taken place.

Mr. STEWART. We had hearings a few days ago in the Senate Committee on Interstate Commerce on the Senator's resolution, after it developed that the Office of Defense Transportation had ordered the movement of 200 cars a day to Canada. I understood that movement was to be held up, at least temporarily.

Mr. LANGER. The order has been issued to use the 200 cars, but the order stopping it has not been issued.

Mr. STEWART. But the movement of cars into Canada has not as yet begun?

Mr. LANGER. No; but the order directing it to take place was issued, and that is what we are trying to stop.

Mr. STEWART. That was developed at the hearing, but, as I understood, the movement of the cars would not begin, temporarily, until possibly after a few days more spent in investigating the situation.

Mr. LANGER. In any event, the order stopping it has not been issued.

Mr. STEWART. In any event the farmers of North Dakota still have wheat and other grain on the ground, as the Senator himself testified some time ago.

Mr. LANGER. That is correct, hundreds of thousands of bushels are scattered on the ground in the snow, which will be damaged to some extent.

Mr. STEWART. Can the Senator tell me whether in the last 30 or 60 days there

has been any effort to save the grain which is on the ground in North Dakota?

Mr. LANGER. Oh, yes; the elevators have been most cooperative, and whenever they have had any cars at all, instead of shipping out grain in the elevators, they have taken the grain which is piled up in the fields.

Mr. STEWART. What is the present situation, as compared with that 2 months ago?

Mr. LANGER. Roughly, I shall say that about two-thirds has been removed, but the elevators are still plugged, and within a few weeks the spring work will start, and the farmers are desirous of now hauling in their grain, so that they will not be handicapped in performing their spring work.

Mr. STEWART. I thank the Senator.

Mr. LANGER. Returning to the telegrams, I have one here from Arnegard, N. Dak., in the western part of the State, reading as follows:

ARNEGARD, N. DAK., January 17, 1944.  
Hon. Senator WILLIAM LANGER,

Washington, D. C.:

A serious emergency exists in our territory. Many farmers are reporting their grain starting to spoil, due to weevil infestation and poor storage facilities; and unless we get relief by receiving more grain cars, it will be a serious loss to many individuals, as well as to our war effort. We vigorously protest Mr. Eastman's order for the railroads to send 200 cars per day to Canada, while we are sitting with our elevators blocked and watch the grain we have produced in our own country spoil because some official has the power to order our railroads to furnish cars to outside interests before they take care of the emergency that exists at home. We ask that you use every means to prevent this injustice to the loyal farmers of this territory who have used every effort to comply with our Government's request for the highest possible food production which is so vital to our war effort.

FARMERS' COOPERATIVE ELEVATOR CO.,  
MELVIN JOHNSON, Manager.

Here is a telegram from Upham, N. Dak., which is right near the Canadian line:

UPHAM, N. DAK., January 18, 1944.  
Senator WILLIAM LANGER,

Washington, D. C.:

Reference to your telegram January 7, car supply less, rather than better. Current reports that cars going to Canada. Railway officials cannot furnish relief. We expect you to get some results.

UPHAM FARMERS' ELEVATOR CO.,  
B. T. BENSON, President.

I have here a telegram from the eastern part of the State, right next to Minnesota, which reads:

PORTLAND, N. DAK., January 18, 1944.  
Hon. WILLIAM LANGER,

United States Senator,

Washington, D. C.:

No grain cars for 10 days. Car shortage here very serious, except for a period of 10 days in December. We have been plugged since August 15. Elevator capacity of 150,000 bushels, and which is all cash grain. Farmers have thousands of bushels of grain on farms; anxious to haul now, because of the shortage of farm labor, before busy season begins. Elevator has 430 stockholders, who all object to cars going to Canada.

PORTLAND FARMERS' UNION ELEVATOR,  
E. LENABURG, Manager.



CONTINUATION OF COMMODITY CREDIT CORPORATION—REPORT OF BANKING AND CURRENCY COMMITTEE

Mr. BANKHEAD. From the Committee on Banking and Currency, I report back favorably with an amendment to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, and I submit a report (No. 631) thereon.

I desire to give to the Senate the information that when the tax bill is out of the way the majority leader will probably, on Friday, move to take up the Commodity Credit Corporation bill.

The PRESIDING OFFICER. Without objection, the report will be received, and the bill will be placed on the calendar.

FOREIGN GOVERNMENT NATIONALS IN UNITED STATES AGENCIES

Mr. LANGER. Mr. President, in view of certain information which has come to me, I deem it my duty to bring to the attention of the Senate a situation which, if my information is accurate, seems to me dangerous to the war effort, fraught with peril to the American people, sinister in its implications, involving men high in the Government, destined to make the United States hated by small foreign governments, and robbing the taxpayers of the United States.

I believe, from the information given me, that several hundred persons, many of whom are British subjects, others of whom have only taken out their first naturalization papers, and others deliberately planted here by foreign governments, are holding key positions in agencies controlling American foreign affairs, and that many of them are furthering British aims at American expense.

I realize the seriousness of these charges, and would not make them unless I were satisfied that they are true. It is my understanding that international financiers have formed a powerful British syndicate which has taken over the entire mineral rights of Ethiopia, taking them away from the common people, and that this syndicate has become so powerful that it has thwarted the American mission to Ethiopia, that the American mission has not gotten started because a British subject high in the councils of this Government has stopped the processing of the proper papers for the personnel of the commission, and that this high official has stated that he would see that the members of the American mission would never be granted the necessary passports.

Mr. President, these facts are either true or untrue. They are, however, of such tremendous importance that in my opinion they merit the most careful and fullest consideration by the proper committee, and unless we do something here soon the American people are going to wake up some morning terribly disillusioned. It is for this purpose that I submit the following resolution:

*Resolved*, That an appropriate standing committee of the Senate to be designated by

the President of the Senate is authorized and directed to make a full and complete study and investigation with a view to ascertaining (1) to what extent important American foreign affairs are being directed by self-admitted "international officials," (2) how many key positions in agencies supported by American taxpayers are occupied by British subjects who have never become naturalized citizens of the United States, or have taken out only first papers, (3) whether or not English-Americans have been deliberately planted in these agencies particularly those controlling American foreign affairs not to further American interests but to safeguard and enhance British interests at American expense, (4) how many persons holding positions in the Foreign Economic Administration are pro-British, (5) whether Lauchlin Currie, one of the anonymous executive assistants to the President and who has recently been appointed Acting Deputy Administrator of the Foreign Economic Administration, is a British subject, (6) whether it is true that competent American engineers ready, willing, and anxious to do the work have been ignored while persons who owe allegiance to Great Britain have been hired. Such committee shall report to the Senate at the earliest practicable date concerning the results of its investigation, together with any recommendations it may deem appropriate.

For the purpose of this investigation, the committee designated by the President of the Senate, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-eighth Congress, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee under this resolution, which shall not exceed \$ , shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. President, I ask unanimous consent that the resolution be received and referred to the Committee on Foreign Relations.

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Without objection, the resolution (S. Res. 239) will be received and referred to the Committee on Foreign Relations.

THE REVENUE ACT

The Senate resumed the consideration of the bill (H. R. 3687) to provide revenue, and for other purposes.

Mr. BARKLEY. Mr. President, I understand there are no further amendments pending, or, so far as I know, to be offered.

Mr. LANGER. Mr. President, I have two or three more.

Mr. BARKLEY. I thought the Senator was not going to offer them.

Mr. LANGER. They are very short.

Mr. BARKLEY. Then what I said is not correct. But the Senator had better get busy with them if he is going to offer them.

Mr. President, the Senator from North Dakota says he has two or three short amendments.

Mr. LANGER. Mr. President, I offer an amendment which I submitted a few days ago, and ask that it be read.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert a new section, as follows:

SEC. —. Exclusion from gross income of retirement pay of enlisted military and naval personnel.

Section 22 (b) of the Internal Revenue Code (relating to exclusions from gross income) is amended by inserting at the end thereof the following:

"(15) Retirement pay of enlisted military and naval personnel: In the case of retired enlisted personnel of the Army, Navy, Marine Corps, and Coast Guard, the amount received from the United States as retirement pay."

Mr. LANGER. Mr. President, I am advised by some persons who were formerly in the military or naval service but have been retired that the amount of pay they receive is just barely enough to enable them to live. The amounts received by certain widows are very small. If the persons in question are obliged to pay income tax upon the retirement pay it will place a real burden upon them. I offer the amendment for the purpose of relieving them of this burden.

Mr. BARKLEY. Mr. President, this matter has been under discussion heretofore. It involves the question whether retirement pay, which is not a gratuity on the part of the Government, but is a part of a salary which has been earned by reason of longevity in service by men in the Army and Navy, should be exempt from taxation. The same argument would undoubtedly apply to Government employees who have become a part of the retirement system. We might as well exempt from taxation what they receive from the Government of the United States as retirement pay, which they have earned over a period of years. My opinion would be that if the particular individuals of whom the Senator from North Dakota speaks are in such distressed circumstances that what they receive is not sufficient to enable them to live, they would not be paying an income tax anyway. But it seems to me to be a bad policy to exempt from Federal income tax a part of a compensation which has been earned over a period of years and which is being drawn after retirement.

I think the Senator from Georgia the chairman of the committee, who has temporarily absented himself from the Chamber in order to get a bite of lunch, has discussed that matter here on the floor of the Senate and in the committee; and I think the opinion I have expressed is the attitude he has expressed and the attitude the committee has taken with regard to amendments of this type.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota [Mr. LANGER].

The amendment was rejected.

Mr. LANGER. Mr. President, I offer the amendment which has been printed and lies on the desk, and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert a new section, as follows:

Sec. —. Exclusion from gross income of retirement pay of disabled enlisted military and naval personnel.

Section 22 (b) (13) (relating to additional allowance for military and naval personnel) is amended to read as follows:

"(13) Additional allowance for military and naval personnel: In the case of compensation received during any taxable year and before the termination of the present war as proclaimed by the President, by a member of the military or naval forces of the United States for active service in such forces during such war, by a citizen or resident of the United States who is a member of the military or naval forces of any of the other United Nations for active service in such forces during such war, or by a disabled retired member of the military or naval forces of the United States, below the commissioned grades, who served in such forces during any war in which the United States has participated, as retirement pay, so much of such compensation as does not exceed \$1,500."

Mr. LANGER. Mr. President, the amendment simply provides that no disabled veteran, no matter what position he held, will pay a tax on any part of his income which does not exceed the sum of \$1,500.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota.

The amendment was rejected.

Mr. LANGER. Mr. President, I offer the amendment which lies on the desk and has been printed, and ask that it be read, with the exception of the last three words.

The VICE PRESIDENT. The amendment will be read as requested.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert a new section, as follows:

Sec. —. Credit for dependents.

Section 25 (b) (2) (A) (relating to credit for dependents) is amended by inserting before the period at the end of the first sentence thereof a colon and the following: "Provided, That in the case of such persons who are children (including stepchildren and adopted children) of the taxpayer, the allowance shall be as follows: For each child, \$500."

Mr. LANGER. Mr. President, several days ago I submitted an amendment whereby the allowance for the first child would be \$500, and for the second child \$750. Last year the amount of the allowance for each child was \$400. In the pending bill the allowance for each child has been reduced to \$350.

All my amendment would do would be to provide an allowance of \$500 for each child. I wish to call attention once more to the fact that the poor families are the ones which have the most children. The record shows that the small tenant farmers and the men working in the coal mines are the ones who have the largest families. One need only read some of the speeches made by former President Theodore Roosevelt, in which he begged the people of the country not to be guilty of race suicide; one has only to look at the reports made last week, showing that

the birth rate of the United States is again declining; one has only to consider that everyone has to pay taxes, even a man who earns the small amount of \$12 a week; one has only to consider that, because of the high cost of living, it costs more today than it did a year ago to take care of a little child or of any other dependent—one has only to consider those facts in order to know that the amendment should be agreed to.

I hope the Senate will vote that for each dependent, whether an adopted child or an old person who is dependent upon a son or daughter, the person paying the bills shall be allowed an income-tax credit of at least \$500.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota [Mr. LANGER].

The amendment was rejected.

Mr. LANGER. Mr. President, I offer another amendment which has been printed and lies on the desk, and which I ask to have read.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert a new section, as follows:

Sec. —. Credits against tax for voting in Federal election.

Part III of subchapter B of chapter 1 is amended by adding at the end of such part a new section as follows:

"Sec. 36. Credit for voting in Federal election.

"Against the tax imposed by this chapter there shall be allowed in the case of an individual who shall have voted during the taxable year in one or more elections for electors for President and Vice President, Senator, or Member of the House of Representatives, a credit of \$25: *Provided*, That in the case of a husband and wife filing a joint return only one such credit shall be allowed."

Mr. LANGER. Mr. President, in the last election the number of persons who stayed at home from the election was sufficiently large to have decided the election. If all those who stayed at home had voted for one person, neither Mr. Willkie nor Mr. Roosevelt would have been elected President of this country. Two out of every five persons who were entitled to vote did not vote. Forty percent of the people stayed at home.

In the recent election for mayor of the city of Chicago—I cite this instance merely to show the trend—one-half million people did not vote.

I believe something should be done to offer some inducement to get out the voters. In some of the countries of South America a man who does not vote is put in jail. In other South American countries a man who does not vote is fined. In some of the countries of Europe, according to my understanding, those who do not vote are punished.

I took up the matter with several diplomats from South America. They said that the law they have, under the terms of which persons who do not vote are punished, is rigidly enforced, and that it has resulted in very good government.

Mr. President, I made an investigation before I submitted the amendment, and afterward. We have heard a great deal

from the distinguished chairman of the Committee on the District of Columbia [Mr. McCARRAN] to the effect that the people of Washington wish to have the right to vote. There are thousands of Government employees in Washington. When I asked the chairman of the Committee on the District of Columbia whether or not any of them voted, he said that many of them could vote in Ohio, for example, and other States, by absentee ballot, but they did not. There was no inducement to them to vote.

All this amendment would do would be to allow a credit in the sum of \$25 to any man or woman who votes. Instead of being put in jail or fined, as is done in some of the South American countries, he would be offered an inducement to go to the polls. Our boys are fighting for liberty across the ocean. Mr. President, one of the greatest privileges of a free citizen is the right to vote. I believe we ought to offer some inducement to the people to vote, and I believe that the allowance of a credit of \$25 in a person's income tax for voting is not too much.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. AIKEN. If a person's income were not large enough to require him to pay a tax, what inducement would he have for voting?

Mr. LANGER. He would have no inducement.

Mr. AIKEN. Could he get a check?

Mr. LANGER. The amendment does not provide for that. It is my hope that possibly some Senator on the other side of the aisle will offer an amendment to the amendment, to provide a payment to poorer people who would not be entitled to the \$25 credit.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. DOWNEY. If I could be convinced that a vote cast under compulsion, or in the hope of making \$25, would be of any value to the State, I might be inclined to support the Senator's amendment; but if an individual were not sufficiently interested in public affairs to vote without hope of reward or fear of punishment, I cannot conceive that he would cast a vote that would be of very much value.

Mr. LANGER. I believe I can convince the Senator very easily. In some places corporations do not give their employees the opportunity to vote. They keep them working all day.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. BARKLEY. In most of the States the State laws governing elections require corporations and individuals to give voters in their employ the opportunity to vote, and the employers are subject to a penalty if they do not provide such opportunity.

Mr. LANGER. I should like to have the distinguished Senator show me that law.

Mr. BARKLEY. Under the laws of my State, a corporation or an individual is required to give a voter in his employ



sufficient opportunity, between the hours of 6 and 4 o'clock, to cast his vote.

Mr. LANGER. That may be true in Kentucky, but it is not true in some of the other States. In California, for example, why should not a poor man, who loses a day's pay and travels a long distance to vote, using gasoline in his car, be offered some inducement to vote? What is wrong with paying him to vote? Perhaps he should not receive \$25, but certainly there is nothing wrong with offering him an inducement to go to the polls.

Moreover, in the last analysis, the \$25 would go to the poorer class of people. It would mean more to them than it would to the wealthier class. For example, take a very old person, who may have to travel 6, 10, or 12 miles to vote. He may have to hire transportation. Some of those people are very poor and are living on relief. So it would do no harm to pay them or to offer some inducement. They would not be entitled to the \$25 credit because they pay no income tax.

As I stated before, I believe that it would be to the best interests of the country to get every single voter to the polls. I do not care how we get them there, so long as we get out every man and woman who is entitled to vote—so that we may have a free and honest expression of all the people of the country.

Some of the poor old people in California have children who may have fought for this country. They may have fought in one of the more recent wars. They are too poor to go to the polls. What happens? In some elections organizations with plenty of money which they are willing to spend can hire automobiles and take the voters to the polls, provided they vote right. The allowance of a credit of \$25, as provided in my amendment, with any amendment which the distinguished junior Senator from California may care to offer, would put an end to city and county political gangs which have control of elections.

Recently I was told that in one of the nearby States the city gangs are so bold as to go out upon the streets with dollar bills, carrying them openly, and offering them to the people to go to the polls and vote. It is difficult for a man from the West to believe that, because it is not done in the agricultural States, so far as I know. So the best remedy I can think of is one which provides a credit of \$25 on the income tax. I hope the amendment suggested by the distinguished junior Senator from Vermont [Mr. AIKEN] will be offered, so that those who do not pay an income tax will also have some inducement to vote.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. AIKEN. I did not suggest paying them \$25 for voting.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. BILBO. I have been very much impressed by the novel scheme of the distinguished Senator from North Dakota to get out the vote. I think every citizen should vote in every election. I

wonder if he would agree to an amendment. I think his price for each vote is rather excessive. I have heard that in some sections votes can be obtained for \$5, or even less. I think \$5 would be a more reasonable consideration to bring out the vote, for which he seems to be struggling. I should like to amend his amendment further by providing that they vote the Democratic ticket. [Laughter.]

The PRESIDING OFFICER. Does the Senator accept the amendment?

Mr. LANGER. I refuse to accept that amendment. If the Senator will change the word "Democratic" to "Republican" I will accept it. [Laughter.]

Mr. BARKLEY. Mr. President, I think this debate has proceeded far enough in ridiculousness. I hope we may vote on it now.

Mr. LANGER. Mr. President, I am serious about this amendment. I call attention to the fact that some Members of Congress, both in the Senate and in the House, have been elected at elections in which only 3 or 4 percent of the people voted. It is a disgrace. Certainly nothing that we can do here to get out the vote can possibly be wrong. Frankly, I cannot see why a measure which would simply allow a small deduction from the income tax would not be proper. If \$25 is too much, the Senate has the power to amend it. The amendment is absolutely right in principle. I believe every citizen should vote, and I believe that we should do everything we can to get out the vote.

Mr. President, I ask for a vote upon my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. LANGER].

The amendment was rejected.

Mr. LANGER. Mr. President, I offer another amendment, which I have taken up with the distinguished chairman of the committee. I send it to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from North Dakota will be stated.

The LEGISLATIVE CLERK. On page 114, in the table appearing after line 11, after the "2402" in the item relating to toilet preparations, it is proposed to insert the following: "(except as respects the sale of toilet preparations to a person operating a barber shop, beauty parlor, or similar establishment, for use in the operation thereof and not for resale, or the use in such operation of toilet preparations purchased by such person for resale)."

Mr. LANGER. Mr. President, the amendment is offered at the request of the Hairdressers' Association and beauty parlor operators of my State and some of the neighboring States, as well as at the request of the national president of the organization to which I have referred. I am advised by them that in the retail trade the merchant can add 2 percent, 3 percent, 4 percent, or 5 percent tax to the price at which they buy it from the manufacturer and resell it locally. I am advised that there is no way

by which they can pass the tax on to the customers. I am also told that in the District of Columbia there were at one time 4,000 beauty operators, and that now there are 1,600. I am informed that the wages of the girls have increased from \$18 a week to \$45 a week. The persons to whom I have referred have also advised me that they really are not in position to pay any additional taxes. They want the tax to remain exactly where it has been under the law. They are opposed to any increase. I promised them to present the matter to the Senate. I believe the amendment is a meritorious one. I invite attention to the fact that in my State, for example—and I believe the statement is applicable with respect to most other States—this business is conducted by young ladies who are trying to make a living. Sometimes they are trying to support their fathers and mothers.

As I have said, in my opinion, the amendment is a meritorious one and I hope that it will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. LANGER].

Mr. TAFT. Mr. President, this question was before us last year. The persons to whom the Senator from North Dakota has referred came to me. I had the impression—and at the time I talked to the Treasury representatives they had the same impression—that an exemption was allowed on articles of this kind which are sold to persons who are, in effect, manufacturers. The question is whether this was intended to be a retail luxury tax. Those who are now required to pay a tax, irrespective of this amendment, are certainly processors and manufacturers. Ordinarily we have not levied a tax on that process. I was surprised to ascertain that such persons were taxed. In fact, when I talked to the Treasury representatives about the matter approximately 3 weeks ago I was told that they thought they were not taxed. I was told in effect, "We are not changing the law, at any rate, and we are not perfectly certain what the present provision is." So it seems to me that the exemption requested would be a reasonable one.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota [Mr. LANGER].

The amendment was rejected.

Mr. BARKLEY. Mr. President, I believe there are no further amendments to be considered at this time. In view of the fact that the renegotiation section, which has been postponed from day to day, must be again postponed until tomorrow in order that a subcommittee which was appointed this morning by the Committee on Finance may endeavor to work out certain controversial matters pertaining to the section, it will be necessary that we suspend further consideration of the tax bill until tomorrow. However, it is hoped that by tomorrow the renegotiation section may be so adjusted that we can promptly dispose of it. Whether that will be true or not, I do not know.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. O'MAHONEY. I understand that the majority leader has announced that the pending tax bill will go over until tomorrow in order that an opportunity may be afforded the subcommittee to work out substantive language governing renegotiation.

Mr. BARKLEY. That is correct.

Mr. O'MAHONEY. May I ask the Senator if during the interim we may have his consent to proceed to the consideration of Calendar No. 542, Senate bill 469?

Mr. BARKLEY. Yes; I was going to suggest that the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Indiana [Mr. VAN NUYS] are interested in taking up the bill which is known as the Red Cross bill, and which has been pending for some time. I not only have no objection, but I am agreeable to such a program.

Mr. O'MAHONEY. I thank the Senator from Kentucky.

#### NOTICE OF VISIT OF PRESIDENT OF VENEZUELA

Mr. BARKLEY. Mr. President I wish to announce that tomorrow at 12:15 o'clock p. m., the President of Venezuela will visit the Senate, and it is expected he will deliver a brief address. I hope Senators will be present.

Mr. WHITE. Mr. President, I wish to inquire of the Senator from Kentucky if he can give us any information as to what else will be before the Senate tomorrow and the remainder of the week.

Mr. BARKLEY. I announced earlier in the day that we hope to take up tomorrow the renegotiation provisions of the tax bill, and dispose of them. The Committee on Banking and Currency has reported the commodity credit bill, relating to subsidies, and it is now hoped that if we shall finish with the renegotiation provisions of the tax bill tomorrow, we can take up the Commodity Credit bill.

Mr. WHITE. Those two bills will undoubtedly consume the remainder of the week?

Mr. BARKLEY. Undoubtedly.

#### THE RED CROSS

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 542, Senate bill 469.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 469) to implement article 28 of the convention signed at Geneva on July 27, 1929, relating to the use of the emblem and name of the Red Cross.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 469) to implement article 28 of the convention signed at Geneva on July 27, 1929, relating to the use of the emblem and name of the Red Cross, which had been re-

ported from the Committee on the Judiciary, with amendments.

The first amendment of the Committee on the Judiciary was on page 2, in line 6, to strike out:

It shall be unlawful for any person, corporation, or association other than the American National Red Cross and its duly authorized employees and agents and the Army and Navy sanitary and hospital authorities of the United States for the purpose of trade or as an advertisement to induce the sale of any article whatsoever or for any business or charitable purpose to use within the territory of the United States of America and its exterior possessions the emblem of the Greek Red Cross on a white ground, or any sign or insignia made or colored in imitation thereof, or the words "Red Cross" or "Geneva Cross," or any combination of these words.

And to insert:

The American National Red Cross and its duly authorized employees and agents and the Army and Navy sanitary and hospital authorities of the United States shall have the sole and exclusive right to use, within the territory of the United States of America and its exterior possessions, the emblem of the Greek Red Cross on a white ground, and the words "Red Cross" and "Geneva Cross." It shall be unlawful for any person, corporation, or association other than the American National Red Cross and its duly authorized employees and agents and the Army and Navy sanitary and hospital authorities of the United States for any charitable purpose, or for any person, corporation, or association for the purpose of trade or as an advertisement to induce the sale of any article whatsoever or for any business purpose, to use within the territory of the United States of America and its exterior possessions the emblem of the Greek Red Cross on a white ground, or any sign or insignia made or colored in imitation thereof, or the words "Red Cross" or "Geneva Cross," or any combination of these words.

Mr. O'MAHONEY. Mr. President, approximately a week ago the distinguished Senator from Georgia [Mr. GEORGE] spoke to me about this amendment. I observe that the Senator from Georgia has now come into the Chamber. I understood that it was his intention to move a perfecting amendment on page 3, line 9, after the word "made", to strike out "or" and insert "and." I may say that I have discussed the proposed amendment with the chairman of the Committee on the Judiciary, and it is quite agreeable to me that the change shall be made. I therefore move that, on page 3, line 9, after the word "made", the committee amendment be amended by striking out "or" and inserting "and."

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The LEGISLATIVE CLERK. On page 3, in line 24, it is proposed to strike out "1944" and insert "1947."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. TYDINGS. Mr. President, I am not objecting particularly to the proposed extension, but, in my opinion, if the bill is passed, the extension ought to be broad enough so that concerns which were incorporated 15, 18, or 20 years before the passage of the congressional Red Cross statute would be given more time than merely 2 years in which to liquidate a vested asset which they have acquired validly and which otherwise would be peremptorily taken away from them.

Mr. O'MAHONEY. Mr. President, I may say to the Senator from Maryland that the question of the time to be allowed was thoroughly canvassed by the Committee on the Judiciary. The original proposal, of course, was that the use should be terminated immediately. There was a proposal that the right to use should be extended in one instance as long as 20 years. The subcommittee to which the bill was referred held protracted hearings and gave long consideration to the matter. The full committee came to the conclusion that an extension of 3 years for the original use, accompanied by another 3 years in which to convert to another insignie, would be sufficient.

The Senator from Georgia has suggested that there should be an additional 3-year period in which to permit the retailers and jobbers to dispose of commodities so marked. The committee has agreed to accept the suggestion of the Senator from Georgia with respect to such extension, and at the proper time I shall suggest that on page 4, line 23, the figures "1953" be inserted instead of "1947."

I may say that with this installment the committee feels sufficient and adequate recognition has been made of prior use and of the facility of disposal.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. TYDINGS. For the information of Senators, many of whom may not be familiar with the matter, let me say that the first official action of any American institution was in the year 1881, when an American committee formed by Miss Clara Barton in 1877, incorporated under the name of the American Association of the Red Cross. That was in 1877. In 1900 the Federal Congress enacted a statute incorporating the American National Red Cross. However, the case of some concerns will show my desire to be fair when I name the dates when they began to use the Red Cross label. There is the case of Johnson & Johnson, about which most people know, but there is also the case of Charles B. Silver & Son, who originally used the Red Cross label, and took out a trade-mark for it in 1876, which was before Miss Barton formed her society, before it was incorporated, and 24 years before the Congress passed the act officially recognizing the Red Cross.

Now, when this concern ever since 1876 has continually used the Red Cross label and has built up a goodwill and has come upon it validly and rightly, it seems to me that what we are doing here is



almost equivalent to taking property without due process of law, and certainly without just compensation. I am very much interested not only in the time in which the transition is to be made but to ask the Senator from Wyoming if the bill goes through and we ride roughshod over the vested rights of these people who have done no wrong, what provisions the bill will contain to compensate them for the taking of their property.

Mr. O'MAHONEY. Mr. President—

Mr. TAFT. Mr. President, it seems to me that this bill is of sufficient importance so that I will suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Green	Pepper
Andrews	Gurney	Radcliffe
Austin	Hawkes	Revercomb
Bailey	Hayden	Robertson
Ball	Holman	Russell
Bankhead	Johnson, Colo.	Shipstead
Barkley	Kilgore	Stewart
Bilbo	La Follette	Taft
Bone	Langer	Thomas, Idaho
Burton	Lodge	Thomas, Okla.
Bushfield	McCarran	Tobey
Butler	McClellan	Truman
Byrd	McFarland	Tunnell
Capper	McKellar	Tydings
Caraway	Maloney	Vandenberg
Chavez	Maybank	Van Nuys
Clark, Mo.	Mead	Wagner
Danaher	Millikin	Wallgren
Davis	Moore	Walsh, Mass.
Downey	Murdock	Walsh, N. J.
Eastland	Murray	Wheeler
Ellender	Nye	White
Ferguson	O'Daniel	Wiley
George	O'Mahoney	Willis
Gillette	Overton	

The PRESIDING OFFICER (Mrs. CARAWAY in the chair). Seventy-four Senators have answered to their names. A quorum is present.

The question is on agreeing to the committee amendment on page 3, line 24.

Mr. TYDINGS. What is the amendment?

Mr. O'MAHONEY. This is the amendment providing for an additional 3 years in which to continue the use of the Red Cross label.

Mr. TYDINGS. We have not yet come to the amendment we have just been discussing?

Mr. O'MAHONEY. No.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 3, line 24.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment of the committee was, on page 4, at the beginning of line 4, to strike out "1947" and insert "1947."

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 4, line 4, after the date "July 1" and the comma, to strike out "1947" and insert "1950."

Mr. TYDINGS. I understand the Senator from Ohio intends to offer an amendment to this amendment.

Mr. TAFT. Madam President, I move that the figure "1950" be stricken out and that in lieu thereof the figure "1953" be inserted.

This section relates to the provision that after the expiration of the right to use the term "Red Cross" in 1947, the owners of Red Cross trade-marks may advertise that their trade-mark was "formerly Red Cross." Let me take a case I have in mind, of the manufacturers of the Red Cross shoe. They may advertise, let us say, "White Cross shoe," then in small type underneath "formerly Red Cross." I cannot see how that would in any way interfere with the rights of the American National Red Cross. It would enable anyone with these trade-marks to gradually acquaint their customers with the new trade-mark, calling attention to the fact that they formerly had the Red Cross trade-mark.

We must remember that no one can have used the Red Cross trade-mark unless he used it before 1905, in any event, so that all these trade-marks are well established, and of real value to the owners. It seems reasonable that such owners be given a fairly long time, I think longer than that provided in my proposal, but I understand the chairman of the committee feels that that is the limit to which he can agree. It certainly would permit no infringement of the rights of the National Red Cross, and it would help owners of existing trade-marks, and there is every reason to extend the time. I hope the chairman of the committee will accept the amendment.

Mr. O'MAHONEY. Madam President, the theory of the bill is that after a certain date the American Red Cross Society shall have the exclusive right to the use of the Red Cross emblem. It was the belief of the Committee on the Judiciary that the great popular support being given the American Red Cross Society by the people of every State and of every community, and the great humanitarian objectives of the society, are such that we should, out of consideration for the Red Cross Society alone, grant this exclusive right.

In addition to that, Madam Chairman, we have the treaty obligations of the United States. Therefore, in granting these three extensions of 3 years, 3 years in which to continue the lawful use heretofore recognized, 3 years in which to use another insignia and say that the trade-mark was formerly the Red Cross symbol, and then 3 years additional, making a total of 9 years in which jobbers and retailers may dispose of the commodities manufactured, the committee feels that it has manifested its good faith, and has made it possible for commercial users to adjust themselves to the proposed law.

I may say to the Senator from Ohio that I have had numerous conferences with the spokesman for the manufacturer of the Red Cross shoes and I have a great deal of admiration and respect for the manner in which that company has reacted to the suggestions of the proposed law. As a matter of fact, it has already entered upon a campaign of

advertising without the use of the red cross. It has substituted a gold cross for the red cross, and is doing precisely what the bill would require should be done.

For my own part, I think these parties are adequately taken care of, particularly in view of the fact that an amendment which was at one time suggested by the spokesman for this particular shoe company has already been accepted by the committee at the suggestion of the Senator from Georgia [Mr. GEORGE], the amendment to which I referred earlier in the discussion, on page 3, whereby, instead of prohibiting the use of any sign or insignia made or colored in imitation, we are prohibiting only the use of the sign or insignia which is made or colored.

Personally I feel that a sufficient concession has been granted. I should like to have the chairman of the Committee on the Judiciary, who is sitting beside me, and who participated in all the discussions in the committee, give his judgment upon this matter.

Mr. VAN NUYS. Madam President, I can say very truthfully to the Senator from Wyoming, who has worked long and hard as chairman of the subcommittee, that personally I think we have gone very far in conforming to the persistent lobbying or arguing, whatever it may be called, before the committee since the bill has been pending in the last year in the Senate Committee on the Judiciary. I know of no other bill which has been so thoroughly studied as this bill, or in connection with which such complete investigation of all complaints and suggestions of every kind and character has been made by the subcommittee and members of the full committee.

It appears to me that 3 years is sufficient time after which to stop the manufacture of articles bearing the Red Cross emblem, with 3 additional years, making 6, and 3 further additional years, making 9.

Furthermore, I should like to call the attention of the Senator from Ohio to the fact that those interested in the bill have been on notice that it has been for the last year in the Senate Committee on the Judiciary. A similar bill was introduced 5 years ago in the House. The manufacturers of goods using this emblem have had from 10 to 15 years' notice that legislation of this kind was contemplated and have had ample time to change their emblem from the red cross to the gold cross, or a cross of some other color. Personally, I think we have gone the limit with respect to extension of time, but of course decision of the question is up to the Members of the Senate.

I should like to have a vote on the question.

Mr. O'MAHONEY. Madam President, I should like to add a few words more. The Senator from Maryland [Mr. TYDINGS] has been talking to the members of the committee about the bill for a long period of time and has been urging various concessions which the committee to date has not seen fit to make. The Senator from Maryland came to me again today saying that he felt that we should at least add an amendment to the bill which would provide that if such users as

he has described suffer a loss by reason of the action which we are about to take, they may have the right to submit their cases to the Court of Claims. Personally, I make no secret of the fact that I do not believe they will suffer any loss. I believe with the chairman of the Committee on the Judiciary that we are granting every possible concession. But at the insistence of the Senator from Maryland I have consulted this afternoon with the legislative drafting service, and we have prepared an amendment which I am willing to offer, which will grant to the commercial users the right to go into the Court of Claims to show whether or not there is any liability, and then to have determined what the measure of damages, if any, may be. I shall be quite willing to offer that amendment. In these circumstances I feel that the request made by the chairman of the committee that we sustain the committee recommendation and allow the period in question to be 3 years, ought to be acquiesced in by the Senate.

Mr. TAFT obtained the floor.

Mr. DANAHER. Madam President, will the Senator yield?

Mr. TAFT. I yield.

Mr. DANAHER. I simply wish to say, in the light of the observation made by the Senator from Wyoming [Mr. O'MAHONEY], that I hope he will not accept such an amendment as that to which he has referred. This matter has been quite thoroughly canvassed in the committee, and if we have any right whatever to do what we are undertaking to do, it certainly is not contingent upon the existence of some claimed right in some person whose so-called claimed right to pursue a claim against the United States Government would otherwise be extinguished. If there is any such amendment as that I, for one, would most certainly wish to be heard in opposition.

Mr. ROBERTSON. Madam President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ROBERTSON. I should like to ask my colleague if in his opinion the use of the Red Cross emblem by a fraternal and nonprofit organization would come within the scope of the bill?

Mr. O'MAHONEY. No; it would not. I will say to the Senator that the language of the amendment which has just been adopted is as follows:

It shall be unlawful for any person, corporation, or association other than the American National Red Cross and its duly authorized employees and agents and the Army and Navy sanitary and hospital authorities of the United States for any charitable purpose, or for any person, corporation, or association for the purpose of trade or as an advertisement to induce the sale of any article whatsoever or for any business purpose, to use within the territory of the United States of America and its exterior possessions the emblem of the Greek Red Cross.

This is the prohibition which the committee has placed against the use of the emblem for a charitable purpose or for a purpose of trade, and is not a prohibition against the use of the red cross by a fraternal organization such as the Masonic order.

Mr. ROBERTSON. I thank the Senator.

Mr. TAFT. Madam President, I wish to make clear that the amendment I offer in line 4, page 4, is to change the figure "1950" to "1953." Let us see what it is we are requesting should be done. In order to protect, so far as we can protect, consistent with the policy of abolishing these trade-marks, which have been established for 40 years in every case, and in many cases longer than 40 years, I ask that until 1953, in advertising or labeling an article, a firm which has already changed or abandoned the trade-mark may continue to refer to the fact that it was formerly a red cross article. That is the fact. That is no misrepresentation of any fact. I cannot personally see why a firm should not be able forever to say that the article in question was formerly labeled with the red cross. It was perfectly legal when the firm was using it. It was perfectly legal when the firm started to use it. Its use was expressly excepted from the law of 1905, so that those who used it have been justified in believing that Congress intended that they could use it ever since.

Mr. WILEY. Madam President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Wisconsin?

Mr. TAFT. I yield.

Mr. WILEY. I take it that in the amendment suggested, when "red cross" is used, it means the words "red cross" and not the insignia of the Red Cross?

Mr. TAFT. This is the permission which is given. It is stated in the bill:

(A) If use in the labeling of such article by such person, corporation, or association would have been lawful prior to the date of enactment of this act.

That means prior to 1905, because that is the time when the law forbade anyone to begin anew the use of "red cross."

(B) If a new trade name, design, or insignia is used in such labeling.

In other words, if a firm has now adopted a new trade-mark.

(C) If such use is only of the words "Red Cross," and only for the purpose of indicating, in lettering smaller than the new trade name, design, or insignia, that such article formerly was identified by the red cross.

That is the fact. I cannot see why that should not be advertised. The committee feels that such use should have a termination date. The committee feels it should have a termination date. If so, I think the date should be as remote as possible; because what should be done for these persons, if possible, is to enable them to preserve as much as they can of the valuable trade-mark right they have established. Certainly a great deal of time is required to educate the public. People do not buy shoes of this particular type, for instance, more than once in 2 years; and even by 1953, when such advertising would be stopped, there might be people looking for Red Cross shoes, let us say, who would not be able to find them.

I cannot see anything in the amendment which would weaken the bill. I cannot see anything unreasonable in the request to extend at least until 1953 the period during which it might be said that a certain shoe was formerly known as the Red Cross shoe—an actual fact and an actual condition which existed.

With reference to the amendment suggested by the Senator from Wyoming, those who have talked to me are not asking for compensation. They are not asking for a long, drawn out court proceeding, as in the instance of some of the patent cases in which a master tries to ascertain the value of a trade-mark which, at best, is difficult to determine. They simply feel that, without any loss to the Red Cross or the Government, if Congress can make provision for them to have a little longer period within which they can obtain practically all the value of their trade-mark, while they change to another one, that would be the fair thing to do.

So I think the amendment I request to have agreed to is a perfectly reasonable one.

Mr. CAPPER. Madam President, I have been actively identified with the work of the American Red Cross for more than a quarter of a century. I have served my home chapter in Kansas in many capacities. I have been the Kansas State chairman of the Red Cross a number of times, and I have enjoyed membership on its national board of incorporators for more than 20 years. The members of this board are recommended for election by the delegates from all the Red Cross chapters in the country. I have attended with regularity the meetings of the board of incorporators and, in fact, I do not believe I have missed more than one such meeting in the last two decades. As a result of these intimate and continuous connections with the organization, I have kept myself familiar with its growth and operations, both at home and abroad.

I can assure the Senate, based upon my intimate experience and knowledge of the Red Cross, that this legislation is needed and is in the public interest. Now that this matter is before us for consideration, I know that if this bill is not promptly enacted, hundreds of thousands of volunteers who are carrying on Red Cross activities in every city and hamlet in this country will find it difficult to understand why Congress has failed to give protection to an emblem which to them is sacred.

The Red Cross emblem was adopted in 1864, as a distinct sign for humanitarian work. It was intended to be and has grown to be, all over the world, the symbol of mercy used for the relief of suffering. It was never intended that this emblem should at the same time be used for private gain by commercial advertisers.

It has always seemed a great pity to me that the protection of the Red Cross name and emblem, now to be for all time accomplished by the pending measure, was not provided by Congress immediately after we ratified the 1906 Geneva Treaty. That treaty in plain terms



placed upon the contracting parties the obligation to prevent the use by private persons of the Red Cross name and emblem, whether for commercial or other purposes. The 1929 Geneva Convention reaffirmed in stronger language this obligation, and provided that the signatory parties, of which the United States is one, would make this protective provision effective within 5 years after the treaty was ratified. To say that the matter has been too long delayed is the best of all reasons why it should be delayed no longer.

The activities of the Red Cross have increased manifold, especially during the present world-wide conflict. On every battlefield where American youth serves our country today the Red Cross emblem is used to give protection provided by the Geneva Treaty to those non-combatant members of the hospital corps of the Army and Navy who must care for our wounded. On all fronts workers of the American Red Cross are found extending a helping hand and sustaining the morale of our fighting men. The Red Cross chapters in every county of the United States are working constantly to care for the members of the armed forces or their families. These chapter workers are producing vast quantities of supplies for the relief and comfort of our soldiers and sailors. They carry on the collection of priceless human blood, the use of which in this conflict has saved the lives of countless numbers of our men wounded on the battlefields. Is it right or fair that these volunteers who labor so devotedly in this work should have to see their emblem used by the manufacturers of an endless variety of articles for private gain?

Was not the President right when he wrote:

To great numbers of loyal Americans it seems almost a sacrilege for any person, for private material benefit, to use an emblem created by international agreement solely for humanitarian purposes and as a protective mark for the establishments caring for the sick and wounded of armies and those engaged in extending aid to them.

The bill now before the Senate gives commercial advertisers 3½ years or so in which to select and introduce substitute marks for their products. It gives retailers and jobbers an additional 3-year period in which to dispose of any Red Cross branded merchandise. To me this seems a most generous consideration of commercial users who for many years, by reason of the great increase in the popularity and public esteem in which the Red Cross Society is held by the American people, have benefited by the sale of their products under the Red Cross label.

Personally I would have preferred the bill as originally submitted by the State Department. That bill would have required the cessation of commercial use of the Red Cross emblem within 1 year after its enactment. But I am content with the bill, as amended, which is now before the Senate, realizing that it has had the very careful and prolonged consideration of the Judiciary Committee. I am not content with and would oppose

commercial advertisers who grudgingly agree to make this legislation effective many years in the future. Despairing of defeating the bill on its merits, they hope by indirection to destroy its practical effect by suggesting that they be permitted to continue their present commercial use of the emblem for many years to come.

To further delay the carrying out of the provisions of the Geneva Treaty is tantamount to saying that the Army and Navy and the Red Cross are not entitled to the exclusive use of the Red Cross emblem. That I am unwilling to say, because I know what protection the emblem affords to our armed forces, and the respect and veneration in which it is held by countless thousands of our people at home. I know that all other civilized nations who signed the treaty have long since passed legislation similar to that now before us, and I am not willing that we should longer delay carrying out our solemn treaty obligations. By passing this bill we will declare that the Red Cross emblem is a humanitarian emblem, not a commercial mark to be used for private gain.

Mr. President, this bill is in every respect a worthy and necessary measure. I hope it will receive the unanimous approval of the Senate.

The PRESIDING OFFICER (Mr. MAYBANK in the chair). The question is on agreeing to the amendment of the Senator from Ohio to strike out "1950", in the committee amendment on page 4, line 4, and insert "1953."

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment as amended.

The committee amendment as amended was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, on page 4, in line 21, to strike out "1947", and insert "1950."

Mr. O'MAHONEY. Mr. President, in view of the adoption of the amendment offered by the Senator from Ohio, it will be necessary to amend the committee amendment, and also to change the date in line 25. In each place the date should be July 1, 1953, so as to coincide with the Taft amendment. Therefore, Mr. President, to the committee amendment on page 4, in line 21, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Wyoming to the committee amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 4, line 21, it is proposed to strike out "1950", and insert "1953."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment of the committee was, on page 4, in line 23, to strike out "1944", and insert "1947."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. O'MAHONEY. Mr. President, on page 4, line 8, after the word "act", I move to strike out the semicolon and insert a comma.

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, I now offer the amendment, which I send to the desk and ask to have stated. It is in line with the previous amendment of the Senator from Ohio to the preceding committee amendment, as I have already stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, in line 25, it is proposed to strike out "1950", and insert "1953."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming.

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, on page 4, line 8, I offer a technical amendment, to strike out the semicolon and insert a comma.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. O'MAHONEY. Mr. President, I offer the amendment which I send to the desk and ask to have stated. The amendment is suggested by the Senator from Maryland [Mr. TYDINGS].

The PRESIDING OFFICER. The amendment offered by the Senator from Wyoming will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert a new section, as follows:

Sec. — (a) Any person, corporation, or association that had a right to use and actually used the Red Cross, or whose assignor had a right to use and actually used the Red Cross, for any lawful purpose prior to January 5, 1905, and subsequent to January 5, 1905, but prior to the date of enactment of this act, who shall have been deprived of such use because of the enactment of this act, and who deems himself to have been injured thereby, may bring an action in the Court of Claims against the United States for compensation for such injury. Jurisdiction is hereby conferred upon the court of Claims to hear and determine the claim of any such person, corporation, or association, and, in any case in which it determines that such person, corporation, or association has been so injured, to render judgment thereon against the United States in an amount not exceeding the amount of the financial loss which shall have been suffered or may reasonably be expected to be suffered by such person, corporation, or association, by reason of such injury.

(b) Suit upon any such claim may be instituted at any time within \_\_\_\_\_ after the date of enactment of this act. Proceedings for the determination of any such claim, and appeals from and payment of any judgment thereon shall be in the same manner as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

Mr. DANAHER. Mr. President, I should like to ask the Senator from Wyoming within what number of years he contemplates suit may lie?

Mr. O'MAHONEY. I thank the Senator for calling attention to the oversight. I had intended to insert "5 years."

Mr. DANAHER. Five years from the date of the enactment of this act?

Mr. O'MAHONEY. Exactly. I thank the Senator. I ask that the amendment be so modified.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. DANAHER. Mr. President, there are several objections to the amendment. The first derives from the fact, as I see it, that at a time when, in the public interest, we are extinguishing, or purporting to do so, a right which inures to given individuals, which is established by law, which has been regarded by our own congressional acts, which, in fact, had been agreed to between the American Red Cross itself and certain of the claimants, we would ipso facto give any such injured claimant the right to go into the Court of Claims and assert a claim against the United States to recoup all losses which he can show as flowing from the act of extinguishing that right.

I assert that in this attempt we are creating a precedent which is without foundation. We cannot justify it. If we have the right to extinguish the claim of Johnson & Johnson, the Red Cross shoe manufacturers, the Red Cross mattress manufacturers, or anyone else, then we have the right to do it in 3 years, 6 years, 9 years, or 1 day, and we owe them no compensation of any kind. If, on the other hand, Mr. President, as has been alleged before the committee, the right to extinguish this particular use derives from a treaty which was entered into some 12 or 14 years ago—I have forgotten the exact year, but I think it was 1929—that is where we would find our authority to act. There should not be any compensation available to any claimants. We either have the right to act under this proposal reported from the Judiciary Committee, or we have not, and without loss or claim of right against the United States.

On the factual side, Mr. President, it is my recollection that the testimony shows that the Treasury has already agreed, or at least has computed, that Johnson & Johnson will be entitled to a tax deduction running into millions of dollars for loss arising from extinguishment of the right to use the Red Cross as a mark.

This measure came up today without prior notice to others of us on the committee that it would be called up. Otherwise, I should have had my file before me, and would have been able to supply the exact figures. It is my recollection that it is said that Johnson & Johnson alone would be entitled to a tax deduction of \$11,000,000 by reason of our enacting this legislation. If, in addition, such loss can be shown in terms of the value of the mark which we extinguish, and thereafter there is added the loss which would flow from the business normally to be expected by this company

from the use of this type of advertising, when its sales are vastly increased during wartime, it can easily be seen that it is conceivable that a record can be compiled which will allow the claimant to go into the Court of Claims with an assertion of injury in a prodigious amount. By the adoption of this very amendment we would give color to such a claim.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. GEORGE. There is nothing strange in the Government taking over property and paying for it. The Government may be under treaty obligation to do just that, and it may be quite proper to do it. If a property right is involved, the Government should pay for it if it is to take it away from a citizen who has a legal right to use it.

The point I wish to make is this: I think the Senator will find that few users of the Red Cross emblem would be able to establish any considerable damage. After all, it is a trade-mark. It has a good-will value which has been depreciated ever since we have had income-tax laws. I think the Senator will probably find that when we get right down to it there will be no considerable item that would not have been depleted to the owner of the trade-mark. I can see no insurmountable objection to allowing the Court of Claims to find the damage, if any occurs, because even then it would be up to the Congress to decide whether or not to make an appropriation to take care of it.

It occurs to me that there is no substantial basis for worry on this point. Frankly, I do not think any damage of real consequence can be sustained. I do not know whether a cause of action exists, but assuming that we were granting a cause of action by the adoption of this amendment, I do not think any great damage would result. I was appealed to to try to insert something in the tax bill which would compensate taxpayers for the loss of the trade-mark in this very instance. I looked into the question, and I did not think it was a feasible or practical thing to do generally, because I question very much whether anyone would be able to sustain a claim for damages when we take into consideration the depreciation which must have been taken against all items of invested capital by the users of this trade-mark.

Mr. DANAHER. Mr. President, answering the Senator's first point, let me note that this is not a taking by the United States for public use of an existing lawfully employed mark from any owner, such as Johnson & Johnson. We are not taking property. We are extinguishing a lawful user's right to use an established trade-mark. That is the first point to be noted.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. McFARLAND. Is not the value of the trade-mark largely due to the fact that it is the same as the emblem of the Red Cross international organization?

Mr. DANAHER. I have no doubt that is the case.

Mr. McFARLAND. If the symbol of the international organization were to be changed to a blue cross, the damage sustained by the users of the trade-mark would be just as great, would it not?

Mr. DANAHER. Likely enough.

Mr. McFARLAND. How are we to determine what the damages are?

Mr. DANAHER. The last question asked by the Senator from Arizona is, of course, a cogent one. We have had no evidence before us as to what the nature of possible claims might be. We have never had any such evidence, in all the long years the chairman tells us this matter has been under consideration. In all the months it was before the Judiciary Committee, not one claimant asserted the suggestion that he be given the right to sue the United States for damages in the Court of Claims.

This whole matter was in a very precarious state throughout all the committee's consideration. Whether the bill would ever be reported from the committee at all was open to considerable doubt. A compromise was finally reached as to the term of years, which we have here discussed. Now, without committee action, and without any evidence before us to assert that we are going to create a cause of action, as to which the Senator from Georgia is willing to guess that there may not be very large claims, or that the damages may not amount to considerable sums, I think would leave us on still more dangerous ground.

Indeed, Mr. President, if we pass this bill there is nothing to prevent any one of these possible claimants from shutting up his business tomorrow and charging off the entire loss.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. VANDENBERG. I wonder if I misunderstand the theory upon which the committee developed the bill. I should like to have the attention of the Senator from Wyoming [Mr. O'MAHONEY].

I wonder if I correctly understand the theory upon which the committee recommends the bill, because I do not see how the committee theory can harmonize with the theory of the pending amendment.

Mr. O'MAHONEY. The Senator is correct.

Mr. VANDENBERG. As I understand the committee theory, the user of the Red Cross emblem, within 9 years under the committee theory, can mitigate any possibility of loss through a change in the symbol. Yet, within 5 years the user would be permitted to start suit for damages before he had a chance to run the 9-year mitigating course, to discover whether or not the committee theory is right.

Mr. O'MAHONEY. Mr. President, perhaps I made my statement before the Senator entered the Chamber. I will say to the Senator from Michigan that I agree completely with the theory of the committee and the theory of the report, which is that we have the power to extinguish the right of private commercial users to employ this symbol in trade, and that by extinguishing such



use we are not laying the basis for a suit for damages against the Government of the United States.

But when the Senator from Maryland [Mr. TYDINGS] came upon the floor today pleading the case of a user in the State of Maryland—the original user of the Red Cross symbol in commercial pursuits—

Mr. TYDINGS. Since 1876.

Mr. O'MAHONEY. The Senator informs me that the use by this particular user began in 1876. He urged the submission of such an amendment. To be quite frank, I agreed that I would not object to it, believing that thereby the effective opposition of the Senator from Maryland to the bill would be eliminated. However, at the time, I accepted it, I told him that I believed it would make no difference, that no user could establish a case in the Court of Claims. I agree precisely with what the Senator from Georgia has said. Therefore it is my opinion that this amendment could be agreed to without harm.

Mr. VANDENBERG. Still the Senator has not answered my point. If we are to allow a suit for damages I do not see why we do not require the 9 years to run before the suit can be started in order to discover whether the theory of the committee is correct, that the change-over can be made without loss. We start with the theory that in 9 years the change-over could be made without loss by the user of the symbol. Then an amendment is proposed which would permit the user to sue in 5 years for a loss, which, under the original theory, would be offset in 9 years.

Mr. O'MAHONEY. The Senator overlooks the fact that in the bill the right of usage is only for 3 years, and it was for that reason that the period was made 5 years. Damage to the corporation, institution, or person who has used the symbol would arise only during a period of 3 years, and therefore 5 years is 2 years after that right has been extinguished. That was the theory.

Mr. VANDENBERG. Mr. President, probably it is my fault, but I fail to follow the Senator from Wyoming. After the first 3-year period it is proposed to allow another 3-year period in which the former user of the Red Cross symbol may say that the new symbol has replaced the Red Cross symbol.

Mr. O'MAHONEY. That would not affect his loss, if any.

Mr. VANDENBERG. That might well be another period in which to rebuild his business and overtake any possible loss which he might have suffered.

Mr. O'MAHONEY. That is when the jobber or the retailer who has bought the material which can no longer be manufactured under that insignia would be permitted to dispose of it. I believe that so far as years are concerned, there is nothing complicated at all.

Mr. VANDENBERG. I favor the original bill as reported by the committee, but I think that the pending amendment is cockeyed.

Mr. REVERCOMB and Mr. TRUMAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Connecticut yield; and, if so, to whom?

Mr. DANAHER. I yield first to the Senator from West Virginia.

Mr. REVERCOMB. Mr. President, as I understand the amendment suggested by the Senator from Maryland [Mr. TYDINGS], it would permit the present user of the Red Cross symbol who would be deprived of it by the bill, to maintain a suit in the Court of Claims to recover damages for any loss which he might sustain.

As a member of the committee, and likewise as a member of the subcommittee which considered the amendment, it is my recollection that two major questions arise. The first is whether it is proper, by legislation, to take the symbol away from those who had used it as a private symbol over a course of years. The question was raised as to whether the Government should use the funds of the taxpayers to pay damages. As I distinctly recall, it was the sense of the committee that Government funds should not be used to pay for such damages; that that would be virtually a purchase of the symbol from the users for the benefit of the Red Cross.

Mr. O'MAHONEY. Mr. President, will the Senator from Connecticut further yield?

Mr. DANAHER. I yield.

Mr. O'MAHONEY. I desire to recall to the mind of the Senator from West Virginia that the amendment which was discussed in the committee, and to which he now refers, was an amendment which acknowledged a liability on the part of the Government and, of course, it was rejected. As I recall, no member of the committee was willing to sponsor that amendment. That is, not the amendment suggested by the Senator from Maryland. I would not agree to such an amendment.

Mr. REVERCOMB and Mr. TYDINGS addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield and, if so, to whom?

Mr. DANAHER. I yield first to the Senator from West Virginia in order that he may make reply to the Senator from Wyoming.

Mr. REVERCOMB. I thank the Senator.

The sum and substance of what the Senator from Wyoming has said bears out what I stated. It was decided in the committee that Federal funds should not be used to reimburse users of the Red Cross symbol.

Mr. O'MAHONEY. That is to say, it should not be so stated in the bill.

Mr. REVERCOMB. Yes. An amendment is now offered—and I must say that somewhat to my surprise—I find that amendment accepted by the able Senator from Wyoming who reported the bill from the committee, providing that a suit may be maintained. I am opposed to it, because, in my opinion if a suit could be maintained, that would be an acknowledgment of the right of recovery; and if the right of recovery is present the claimant can present a claim showing

loss, and in the end it would have to be paid out of Federal funds. In my opinion that is absolutely contrary to the decision reached by the committee.

Mr. DANAHER. Mr. President, I wish to emphasize what the Senator from West Virginia has said. If we accept the pending amendment, we say that if in fact the claimant shall assert injury, and if in fact the court finds injury to have been sustained, the court shall award damages. Every Senator knows that when we extinguish the right of the user, in fact, he is injured. That is exactly why we are passing the bill.

Mr. TYDINGS. Mr. President—

Mr. DANAHER. I yield to the Senator from Maryland.

Mr. TYDINGS. Mr. President, I have not interrupted the Senator; but as the advocate of this amendment I wish to say there are a good many statements being made in the debate that I do not believe are sound, and I hope that Members of the Senate will keep an open mind until some of the facts on the other side can be presented. I did not want to interrupt the Senator during his presentation.

Mr. DANAHER. I have reached the point of concluding, anyway.

Mr. President, simply for the reason that we have not factually gone into this situation and we do not know what the possible liability is, since it has not been explored—it was discussed in the committee as a matter of possible award to claimants whose rights indeed would be extinguished but that was ruled out—and because of the uncertainty of the situation, I move that the bill be recommended to the Judiciary Committee in order that the committee may resume hearings on this phase of the question. I was willing to support the bill without this amendment, and I still will support it without it, but otherwise I move, respectfully, that the bill be recommitted for further hearings.

The PRESIDING OFFICER. The question is on the motion of the Senator from Connecticut that the bill be recommended to the Committee on the Judiciary.

Mr. TYDINGS. Mr. President, I think the first thing we ought to do is to get straightened out so as to understand what we are arguing about. All the preceding debate prior to the offering of this amendment was that nobody would suffer any loss; that there was not going to be any loss; a transition period was provided, and, therefore, there would not be any loss; but when we think there may be losses in certain cases and ask for a hearing of them, then those who assert that there will be no losses are not willing to put their contention to the test of a fair, impartial tribunal of the Government of the United States itself. Either there is a loss or there is not a loss. Let us settle that dispute by referring this matter to the Court of Claims. If the contention that this bill will take no rights away from anyone and will cause no losses to anyone is correct, then the Court of Claims will so hold; but if, on the other hand, the men who are

interested can prove a loss in the Court of Claims, then they are entitled to be heard.

The second thing to keep in mind is that we are not in this bill wiping out trade-marks or copyrights which are open to all the people of the United States. We are in this bill wiping out only one trade-mark and one copyright. A particular group who had honestly been using this trade-mark long before this Government in any capacity whatsoever extended the hand of welcome and approval to the Red Cross, are to have it taken away from them and they are to be denied, when their property and the goodwill of their business is taken away, the mere opportunity—and that in a democracy, praise God—to go before a court and prove their case.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Vermont.

Mr. AUSTIN. I wonder if the Senator is accurate in his statement about priority of use.

Mr. TYDINGS. Yes, sir; I am going to read the history pertaining to the matter.

Mr. AUSTIN. Before the Senator begins to read, I ask him to consider that the evidence before the subcommittee of which I was a member showed the use of the Geneva Cross by the Red Cross as early as 1864.

Mr. TYDINGS. I am not disputing that, but the Government of the United States took no official action until 1905.

Mr. AUSTIN. That is to say, the Government did not create this industry, of course.

Mr. TYDINGS. That is correct.

Mr. AUSTIN. And so far as the equity of priority of use goes nobody has a claim against the Red Cross.

Mr. TYDINGS. Let me develop the facts and let them speak for themselves. On August 22, 1864, the Geneva Convention adopted as its symbol a red cross with a white background. The United States Government was not represented. In 1866 there came the Bellows committee, which had an ephemeral existence and dissolved in 1872 without taking action. In 1869 Miss Clara Barton, founder of the American Red Cross Society, first heard of the Geneva Convention. From 1872 to 1905 numerous firms in the United States used the red cross as a trade-mark. In 1881 an American committee formed by Miss Barton in 1877 was incorporated under the name "The American Association of the Red Cross." In 1900, act of June 6, 1900, the first Federal statute incorporating the American National Red Cross was passed.

The concern I am talking about has used the red cross since 1872 and registered it with this Government in 1876, practically 30 years before the Government of the United States, by an official action, approved by the Red Cross.

Now what is it proposed to do? To wipe out all trade-marks, wipe out all copyrights? No; but a concern that had been using it 25 or 30 years before our Government took any official action is asked in the national interest to sur-

render its copyright, its goodwill, its trade-mark, while all other persons, firms, and corporations in America are to be allowed to retain theirs.

Mr. DANAHER. Mr. President—

Mr. TYDINGS. Let me proceed for a little while and then I shall then yield to the Senator.

I have heard some arguments on this floor today that I can hardly believe would be made in the United States Senate. I have heard that the Government can take a man's property without due process of law.

Mr. AUSTIN. Mr. President, I beg the Senator's pardon, but will he permit a question at this point?

Mr. TYDINGS. I will.

Mr. AUSTIN. I observe that he commenced his address on a point of law and I note that the language of his amendment commences with a clause relating to the "right to use." Therefore, I am inclined to inquire whether the Senator regards it necessary that his amendment should be so worded and so considered by the Senate as to indicate that a condition precedent to any action to recover a loss is the establishment of a legal right of property in the trade-mark. That I ask as a question.

Mr. TYDINGS. I answer generally in the affirmative, but in all detailed respects I should say "No" because in this instance, in my opinion, there is a moral obligation.

Mr. DANAHER rose.

Mr. TYDINGS. Let me proceed for a few moments, because I do not believe that all the Senators are conversant with the fact that we are dealing with cases where users of the Red Cross had adopted and employed that emblem prior to 1905, which was the date of the incorporation by Congress of the American National Red Cross. We are not dealing with anybody who came along after 1905. We are dealing with a group of cases going back to 1872—30 years before the American Congress acted—affecting men who in good faith have been using the Red Cross as a trade-mark to aid in selling their products by giving them a good name, and a designation which the public would recognize as guaranteeing quality.

I have heard on the Senate floor today an argument, which to me is astounding, to the effect that the Government in the public interest can take property without due process of law, as was so ably brought out by the Senator from Georgia. If in the public interest the Government needs the house of the Senator from Connecticut, let the Government take it and do nothing further about it. A trade-mark is just as much a property right, an intangible property right to give it its correct name, as is a tangible property right consisting of acreage. Every Senator has a trade-mark. The Senator from Connecticut has one of the best trade-marks in this body. The name "Danaher" in Connecticut politics stands for integrity and industry and good representation. Let the Senator have his name changed to Jones and run on the Republican ticket and he will not get so many votes as he

would get under the name of Danaher, and he knows it.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. DANAHER. The Senator is perfectly right about that. I would have it made clear, furthermore, that I like the name "Danaher" and have no intention of changing it to Jones; but, above all, I do not want the Senate of the United States extinguishing my trade-mark. Everything the Senator from Maryland is saying on this floor I said in committee.

Mr. TYDINGS. Good.

Mr. DANAHER. I have been one of the last recalcitrants, so to speak, to agree that this bill might be brought up, because I thought we were extinguishing a right which the claimants indeed had. When we get this far, on the other hand, and it is urged that we have a right to extinguish this trade-mark because some treaty has given us the right to do it, and that the treaty as the supreme law of the land indeed imposes upon us the duty to extinguish it, then, Mr. President, I say that, if we have the right to do it on that ground, we do not owe anybody anything, and, therefore, I do not want to leave the Government liable or possibly liable.

Mr. TYDINGS. I am glad the Senator made that remark, because, without flattery, I look upon him as one of the ablest Members of this body, and it was astounding to me, without his qualifying statement of a moment ago, how he could take what seems to me to be the untenable ground that property rights in democratic United States of America can be extinguished without just compensation, although the amendments to the Constitution provide otherwise.

Mr. AUSTIN. Mr. President—

Mr. TYDINGS. Let me proceed for a moment, and then I shall yield to the Senator from Vermont.

The trade-mark is everything in the world that distinguishes one product from another. When we go to a store to buy a pair of shoes, do we say, "Give me a pair of shoes"? When we go to a store to buy any garment at all, do we merely ask for a garment? No; we buy the garment with the trade-mark on it, which we know from experience shows quality.

When we buy canned goods put up by Charles B. Silver, of Havre de Grace, Harford County, Md., we are buying goods which have been sold in every State in the Union under his trade-mark since 1872, known as the Red Cross canned goods, with a standard of quality, under a trade-mark which Mr. Silver honestly came by, which he built up through depressions and adversity so that his is one of the great canning establishments of this country, a business which represents his life work and which he is about to hand over to his son. But we are asked to say, "You may call your goods the Red Circle goods, and you will not lose anything. Then, after he is told he will not lose anything, we are to deny him the opportunity to go into a court of the United States and



prove that he did suffer loss. And that is called democracy; that is called justice.

Suppose one of the Members of this body owned a canning establishment, representing the notes he had paid, and the toil he had put in, the hours of adversity, and the time he had spent fighting unfair competition, extending the sales of his wares here and there, finally coming to the point that people know that when the goods have the Red Cross Canned Goods stamp on them, they are cleanly packed, there is honest weight, there is real quality. The housewife knows, when she goes into any store in any State in this Union and buys those goods, that they come up to that standard. We are asked to say, "Just put a red circle on the label and she will buy them just the same."

It is said he would not suffer any loss, because he would be given 3 years in which to call the goods The Red Circle instead of The Red Cross, after using that trade-mark for 75 years of the hardest kind of work, starting from the infancy of the canning industry, when canned goods were first put up, down to this good hour. We are asked to deny this man a chance to come into the Court of Claims and show what he lost.

Mr. BUSHFIELD. Mr. President—The PRESIDING OFFICER (Mr. WALLGREN in the chair). Does the Senator from Maryland yield to the Senator from South Dakota?

Mr. TYDINGS. I yield.

Mr. BUSHFIELD. I should like to ask the Senator whether it is not a fact that for more than 50 years Congress has recognized that there is a value in trade-marks.

Mr. TYDINGS. That is true.

Mr. BUSHFIELD. And people have built up their businesses on that principle?

Mr. TYDINGS. Of course.

Mr. BUSHFIELD. It is an established principle in our Government to recognize the value of trade-marks.

Mr. TYDINGS. Yes.

Mr. REVERCOMB. Will the Senator from Maryland yield?

Mr. TYDINGS. In a moment, but let me develop the thought suggested by the distinguished Senator from South Dakota.

Senators, it is always easy to settle another man's losses with his money. It is always easy to write down the hardships of another man. But whether one is in the ranching business, or manufactures oilcloth, or is in the shoe business, or the milling business, or in the law business, as many of the Members of this body are, there is something so vital, there is something so overwhelming, in the power of a good name, established over a period of years, that no money on God's earth can buy it. Millions of rich men who have gained great wealth have lost it all because they did not acquire a good name while they were accumulating their wealth.

Mr. Silver is a man who started out as a farmer, and who went into the canning business when there was hardly a thing put up in cans in this country, when half the cans of food would spoil. He gradu-

ally grew up with the industry, he fought competition, and for 75 years has conducted an honest business. Now, it is proposed to say, by the edict of the Federal Congress, that that shall go for nothing. It is proposed to say further, that we should not allow him to go into the Court of Claims, that the Government can take away, but the Government need not restore. And this is to be done in the name of justice and right.

Mr. President, was not this Government established to protect the right of the poorest, the humblest, the most ignorant individual in this country? That is why we have the Constitution. He has as much power and right as any king in Christendom. But here we are asked to depart from that principle. Because there are only a few, they shall sit outside and get the crumbs. As Shakespeare said:

Who steals my purse steals trash; 't is something, nothing;

't was mine, 't is his, and has been slave to thousands;

But he that filches from me my good name  
Robs me of that which not enriches him  
And makes me poor indeed.

After 75 years of honest effort, behind the Red Cross label of Charles B. Silver & Son, of Havre de Grace, Md., without having committed any crime, after having paid his taxes and done his part in all the wars his country has fought in his lifetime—that is all to be done away with by act of Congress, if this amendment shall be rejected, and this man is to be denied, not compensation but denied the mere opportunity to prove he is entitled to it.

Charles Silver first registered his trade-mark in 1876. The Government of the United States first officially recognized the Red Cross by the act of January 5, 1905—an act to incorporate the American Red Cross. Twenty-nine years elapsed between 1876 and 1905 before this Government officially took cognizance of the Red Cross, while this man was working to build up this industry in an honest and American way.

First it is argued that he would suffer no loss whatsoever. Eminent Senators say they believe that, with the transition period provided, there will be no loss at all. Then they say to him, "You shall not have the right to prove there was a loss. There is no loss, but we are not even going to give you the right to prove there was a loss. We are going to take your trade-mark, you cannot use it again, we are going to take from you 75 years of effort to build up a good name, we are going to kick you out of the Senate and House of Representatives as if you were a foreigner. You can go your way. You can suffer whatever loss comes to you. You can be ruined. But you dare not come into any American court and ask for a hearing."

There is nothing in the amendment to provide damages. All it provides is the opportunity for a hearing, because no judgment of the Court of Claims can be paid until approved by the Appropriations Committees of both Houses of Congress and by the Congress itself.

Mr. REVERCOMB and Mr. DANAHHER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Maryland yield, and if so, to whom?

Mr. TYDINGS. I yield first to the Senator from West Virginia, then I shall yield to the Senator from Connecticut.

Mr. REVERCOMB. I am deeply impressed by the eloquence of the Senator from Maryland.

Mr. TYDINGS. I hope it is logic, rather than eloquence.

Mr. REVERCOMB. I may say it is logic.

Mr. TYDINGS. I thank the Senator.

Mr. REVERCOMB. I am deeply impressed by the fact that the Senator has taken the position I took in the committee.

Mr. TYDINGS. I am glad to hear that. I am in good company.

Mr. REVERCOMB. I am in good company now, but I had no company when I stood alone in the committee. Under no circumstances, however, do I feel that the Government of the United States should take its funds and purchase an emblem for any organization.

Mr. President, I ask the Senator from Maryland if his position would not be stronger if he were to oppose the passage of the bill rather than to amend it to require the Government to pay money, in effect, damages by recovery in a court, in order to bestow this mark upon an organization, however worthy?

Mr. TYDINGS. Mr. President, I hope the Senator will not press me to answer that question, because I frankly would not want to make that decision right now.

Mr. REVERCOMB. Then may I say to the able Senator that I regret very much that he did not join me before the committee—

Mr. TYDINGS. I did.

Mr. REVERCOMB. In presenting this matter. May I further not ask if it would not be the wiser course to recommend the bill to the Committee on the Judiciary for further consideration rather than to proceed at this time, in view of the situation which has been developed here by an amendment offered which will require the payment out of the National Treasury of unknown amounts of money not only in the case of the Maryland packer but other users of the Red Cross emblem? It seems to me that the wiser course, indeed, would be to recommend the bill rather than to place the Senate in the situation of passing upon the question of eventual payment of damages by the Government.

Mr. TYDINGS. If the Senator wishes to make that motion, I shall, of course, be governed by the exigencies of the battlefield.

Mr. REVERCOMB. I believe such a motion is pending.

Mr. GEORGE. Mr. President—

Mr. TYDINGS. I wish to make a statement before I yield to the Senator from Georgia, which I shall do in a moment. My good friend, the senior Senator from Michigan [Mr. VANDENBERG] a while ago characterized this amendment as a "cockeyed" amendment. I am going to assume, representing, as

he ably does, the great State of Michigan and our country, that this bill took away the trade-mark of Henry Ford, in the Senator's own State; would the Senator feel that if Mr. Ford were suddenly to lose the right to use the name "Ford" in the particular way it is written, and that he could use the name "Jones"—or "the Jones automobile," that Mr. Ford would suffer no loss whatsoever in the transition from the use of the former Ford name to the Jones name in any kind of normal times?

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. VANDENBERG. The Senator mistakes the application of my word. I was applying it to the fact that it is inconceivable to me that the bill should contemplate a 9-year program to overtake the loss incident to the change in trade-mark, yet that the lawsuit could begin in 5 years, before the 9-year period has run.

Mr. TYDINGS. I am glad to have the Senator correct me. If this were a big matter, the loss would be so great that no Senator could escape it. But because it affects one small independent canning establishment in the little country town of Havre de Grace—well, it is just one man; brush him aside. But if it were the Ford interest, whose trade-mark and goodwill were built up in such difficult circumstances in the early days of that industry—if that were the thing that were to be swept aside in the national interest, there would be no question about allowing Mr. Ford to come into a court of law and prove his loss, and he would come close to obtaining a unanimous vote in this body.

Mr. VAN NUYS. Mr. President, I know the distinguished Senator from Maryland does not intentionally want to mislead the Members of the Senate with respect to the facts.

Mr. TYDINGS. Not at all.

Mr. VAN NUYS. I understood the Senator from Maryland to say that the Silver concern had registered the trade-mark in 1876.

Mr. TYDINGS. I said they had used the trade-mark since 1876, and it was registered as soon as the trade-mark laws permitted it to be registered thereafter, and long before, in either case, the Government of the United States took any official action with respect to the Red Cross Society.

Mr. VAN NUYS. Mr. President, that is just as wrong as the facts can be. I read from a letter recently sent me by H. J. Hughes, general counsel of the American National Red Cross.

Mr. TYDINGS. Very well, show me where I am wrong and I shall be glad to admit it.

Mr. VAN NUYS. The trade-mark now being used by the Silver company was registered as a trade-mark March 6, 1906. I read from the letter:

The registration statement under oath declares—

And here is where the 1876 comes in—

1. The trade-mark has been continuously used in the business since 1876.

Mr. TYDINGS. Well, I stand corrected with respect to the date when the trade-mark was registered.

Mr. VAN NUYS. The history of the trade-mark is that—and I quote from the letter—

On February 23, 1917, Charles B. Silver & Son acquired the trade-mark from S. J. Seneca, the original registrant.

Mr. TYDINGS. I knew Mr. Seneca, and I know Mr. Silver. Mr. Seneca employed Mr. Silver, and Mr. Silver built up and extended his business and afterward bought it out and continued it.

Mr. VAN NUYS. I continue to read from the letter:

This is one of the two known cases where a present use of the Red Cross trade-mark is claimed to have begun before the first incorporation of the present American Red Cross.

Mr. TYDINGS. It is probably as strong a case as any case in the whole category. I should equally be interested in it if it were a case in Indiana. What I am interested in seeing is that an American citizen is not bereft of his right to trial in a court of the United States. If that right is to be denied him we had better call off the war with Hitler and let things take their normal course.

Mr. VAN NUYS. I continue to read from the letter:

It is to be noted that the first claimed use starts in 1876, 12 years after the Treaty of Geneva—

Mr. TYDINGS. To which the United States was not a party.

Mr. VAN NUYS. Will the Senator please permit me to continue?

Mr. TYDINGS. Yes, I will; but I want the Senate to know the whole situation.

Mr. VAN NUYS. The Senator has had his opportunity. I continue to read:

Twelve years after the Treaty of Geneva, and from 10 to 12 years after the use of the Red Cross emblem by the United States Sanitary Commission in Civil War days, and by the kindred society, the American Association for the Relief of Misery on the Battlefield.

These associations were the forerunners of the American Red Cross Society as incorporated. So the statement that the red cross had not been used by the Red Cross Society—

Mr. TYDINGS. I did not say that.

Mr. VAN NUYS. Or its predecessor—

Mr. TYDINGS. I did not say that.

Mr. VAN NUYS. I beg the Senator's pardon.

Mr. TYDINGS. I said the Red Cross received no official sanction by the Government of the United States until 1905, and I stand on that statement.

Mr. VAN NUYS. That is the date of its incorporation.

Mr. TYDINGS. That is correct.

Mr. VAN NUYS. But its predecessor, the two associations which I just mentioned, for years and years used the Red Cross as an emblem, and the emblem would not have been worth 5 cents to Mr. Silver, of Havre de Grace, Md., if it had not been for the long history of charity and humanitarianism built up around this traditional symbol.

Mr. TYDINGS. Mr. President, I do not agree with that remark. It is so transparent that it defeats itself. If all that Mr. Silver had to sell was the Red Cross label on the package in 72 years, his customers would have found him out. Mr. Silver is not asking for the Red Cross emblem because of its humanitarian value. He is asking for it because that is the way the customer knows what C. B. Silver's goods are and how they are labeled.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. TYDINGS. Yes, I shall yield in a moment. As to the statement made by the Senator from Indiana, Mr. President, let me remind him that the red cross was used by the Crusaders. The red cross appeared on every crusade flag that was carried across Europe by that gallant band of men who went forth with high motives and ideals and impulses to rescue the Holy Grail from the infidel, and who robbed every chicken coop on the way back, and some of them did not get back.

I now yield to the Senator from Vermont.

Mr. AUSTIN. Mr. President, the statement I shall make is a little distant from the point to which it applies, but I desire to ask the Senator from Maryland to consider a possible correction in his statement that the Red Cross emblem and its use for the purpose of humanity were not directly recognized by the United States until after 1900.

Mr. TYDINGS. That is correct.

Mr. AUSTIN. I wish to correct that statement, because the United States became a party to the Geneva Convention in 1882; and from a strictly legal point of view, I doubt whether the Senator would make the claim that any particular private individual could acquire a legal property right to the use of the emblem, as against any of the parties signatory to that treaty.

Mr. TYDINGS. Mr. President, I do not wish to go into that field of argument.

I go back to my statement that the Red Cross emblem—and I hold in my hand a history of the Red Cross which gives the day and month when the emblem came into use—originally came into use and effect in 1864, and that the United States of America was not present and was not represented when that was done. A certain period went by. Miss Barton, a very wonderful American woman, organized the Red Cross in unincorporated form. After a while it grew in prominence, but it was not until the year 1905 that the Congress of the United States recognized it and incorporated it by a legislative act. I maintain that up to that time its official status as a Government institution was rather more indefinite than definite.

Mr. Silver, on the other hand, utilized the Red Cross trade-mark as far back as 1876. I was born in 1890. As a boy of 8 years of age, I can remember the Spanish-American War. During that war a bill was introduced to prevent Mr. Silver using the Red Cross trade-mark, just as today a similar bill has been introduced during the present war. My



predecessor in the House of Representatives was Col. J. F. C. Talbott, of the Confederate Army, who served some 30 years in the House of Representatives, and for a long time was chairman of the Committee on Naval Affairs. He made the same points, in essence, that I have made today.

I have appealed to the representatives of the Red Cross who came to my office. I said to them, "All I ask you to do is to treat fairly those who legally, and in good faith, used the red cross as a trade-mark before the United States Government gave it its official sanction. I like the spirit of your bill. I like the aim of your bill. But it would be an outrage, merely because there are a few of them, not to give them a hearing and the consideration to which their case is entitled."

Mr. President, I do not wish to continue this argument longer. I may be defeated in my efforts in this connection. It may be that, because of the great humanitarian impulses which we all feel and have for the Red Cross, my small voice asking for justice for one man in line with our American traditions will be lost in the wilderness. But I know that if any one of us had a business which was 75 years old and had used the red cross as a trade-mark all that time, in voting on this matter he would not feel so detached as Senators feel when their own pocketbooks and their own economic security are not jeopardized.

All we ask for in the amendment is the right to a hearing. If there are no damages, as many claim, then nothing at all will be found in favor of these claimants. If they have suffered loss, in God's name has the Congress of the United States reached the point where, by statute, it will deprive a man of his honest property without compensation, and even without hearing, if some contentions are to be upheld?

Therefore, Mr. President, I rely on the fairness of my colleagues, representing, as I do, one comparatively small industry, one independent industry; for I feel that in representing the head of that organization I am representing not only him and his concern but the finest traditions for which the American Republic was established and for which, pray God, it may ever stand and uphold.

Mr. GEORGE. Mr. President, before the Senator takes his seat, I should like to make a statement in his time, if that is agreeable to him, because I do not care to discuss the matter in my own time.

Mr. TYDINGS. Certainly.

Mr. GEORGE. I was interested in the bill, and I conferred with its proponents, particularly the senior Senator from Wyoming [Mr. O'MAHONEY]. I felt that the amendments proposed to the bill were very reasonable and liberal, when all of the facts were taken into consideration. However, I cannot see why the amendment offered by the Senator from Maryland—of course, it may be that the phraseology is not quite what it should be—should not be inserted in the bill. I very much doubt, as I have said to him frankly, that anyone could establish damages for the taking of his red cross

trade-mark, because there would enter into the consideration a great many questions; for instance, whether the person concerned had used the trade-mark, whether he had used it continuously, whether he had attempted to protect it as against other users, whether he had lost any exclusive right which he may have had in it, and so forth, and so on.

The present tendency of the courts is to hold that the failure vigorously to assert all rights to an alleged trade-mark results in the loss of the rights to its exclusive use; and the courts will not restrain another person from using it if there has been a failure to protect those rights, to say nothing of awarding damages to the person who claims to have had the exclusive right to the use of the trade-mark.

However, a property right to a trade-mark can properly be asserted with respect to cutting off the use of the trade-mark by others, if action is promptly taken at the time when others attempt to make use of it. That seems to me to be beyond argument.

The only right of the United States to take away such a right with compensation is not because it is taken away by virtue of a treaty but because it is taken away in the public interest.

It is true that the International Red Cross and the American Red Cross are in one way the beneficiaries of the legislation; but we deem it to be in the public interest to give to the International Red Cross and the American Red Cross certain privileges and certain rights because of their great work for humanity. It is in the public interest to do so, just the same as when the Government sends its agents to farms in the West and has them destroy cattle there, not for the benefit of the Government, but for the benefit of all the people of the United States, in order to prevent the spread of a destructive disease in the cattle of the country. Yet Congress right along provides for payment for the cattle taken from Bill Smith and John Jones and other persons, in cases in which there has been a rightful taking.

Frequently there are treaty stipulations, particularly with reference to certain sorts of plant diseases and animal diseases; but that would not excuse the refusal of the Government, if it took the property of another, to pay just compensation.

That is all there is to the present case. There is nothing that anyone could do to take away a property right if it has a value which has not already been amortized and been taken up by its owner. It seems to me we are simply wasting time to say so or to think so; that we are confused in our thought. Undoubtedly we have a right to pass this bill. Undoubtedly, if we made a treaty obligating the Government of the United States to pass the bill, we should carry out the treaty stipulations. But undoubtedly no one has the right by treaty or by any provision of statutory law to take away any property right of a citizen, for the public welfare, without paying him for it or giving him a chance to show his rights regarding it. I am

morally certain in my own mind that the amendment is a hope held out to the users of this Red Cross emblem as a trade-mark on business or commercial articles that will not materialize. In the first place, they may not be able to show that they have any right in it; in the second place, they may not be able to show that they tried to protect it, or that it is an exclusive right.

I know that since 1913 no single individual or corporation in America has failed to take depreciation against his invested capital. I do not believe there is any chance for anyone to recover any substantial amount whatsoever. Of course, users of the emblem may have spent a great deal of money in advertising year by year in order to keep the trade-mark effective, but the cost of the advertising is a deductible item against the Government of the United States. I would not like to be a lawyer working on a contingent basis and taking cases against the Government of the United States to recover damages from the United States under this amendment. I honestly do not think it is worth discussing, because I do not believe there can be any damage; but if there is a damage, then certainly the Government of the United States ought not to take away a right without letting the citizen have the opportunity to establish his claim if he can possibly do so.

Mr. CONNALLY. Mr. President, I dislike very much to disagree with my distinguished friend from Maryland, and to oppose his amendment; but I was on the committee which considered this measure, and I cannot agree to the doctrines urged here.

In the first place, the United States Government in dealing with this matter is not dealing with it as man to man, as would be the case in some private transaction. It is dealing with it in its highest sovereign capacity. Irrespective of having made a treaty, if the Red Cross organization is a great international utility, my own view is that the Government of the United States, as a great sovereign government, would have a right to enact this legislation in the promotion of that organization, irrespective of whether or not we had bound ourselves by treaty.

Furthermore, I do not regard a trade-mark, after it has expired, as giving anyone a property right. It is an act of grace on the part of the Government. When the Government enacts a copyright law, it does so as an act of grace. The copyright user registers his copyright or trade-mark, and so long as he complies with the law he is protected, not against the Government but against competitors who might otherwise use his name or trade-mark. So I cannot subscribe to the theory that every time we enact a law, if someone is hurt by the law, we must pay him damages. Suppose, when we enacted the prohibition law, every man who had had a liquor business or saloon had said, "I have been engaged in this business for 25 years. I have obeyed the law. Congress has enacted a law which takes away my business, and I ought to be recompensed."

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. TYDINGS. Is it the Senator's understanding that I maintain that Congress has no right to enact the proposed law?

Mr. CONNALLY. No; I did not say that.

Mr. TYDINGS. I thought the Senator said that under the treaty the Congress has the right to do what is proposed. I am not questioning its right.

Mr. CONNALLY. I said that irrespective of the treaty we have the right to do it.

Mr. TYDINGS. I am not questioning the right to do it, treaty or no treaty.

Mr. CONNALLY. I cannot agree with the Senator's subsequent statement, that because we have the power to do it we are obligated to pay damages.

Mr. TYDINGS. I did not say that.

Mr. CONNALLY. I thought that was the basis of the Senator's argument.

Mr. TYDINGS. I said that we are obligated to do it only if someone suffers a loss in property damages. Does the Senator agree to that?

Mr. CONNALLY. No; I do not agree to it.

Mr. TYDINGS. If anyone suffers a provable loss in property damages, under our Constitution, which I think is sovereign—

Mr. CONNALLY. I would rather not deal with generalities. I will deal with this particular case.

Mr. TYDINGS. Is not a trade-mark a property right?

Mr. CONNALLY. No; I do not think so. It is an act of grace on the part of the Government of the United States; and if the Government wishes to take that privilege back it can do so. I do not think it is a right.

Mr. TYDINGS. The Senator is a member of the Finance Committee.

Mr. CONNALLY. In connection with this bill I am speaking as a member of the Judiciary Committee.

Mr. TYDINGS. Do we not make provision in our tax laws for the value of property rights?

Mr. CONNALLY. Of course.

Mr. TYDINGS. Then they must have a property value.

Mr. CONNALLY. I do not doubt that so long as a copyright is enjoyed it has a business value.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. CONNALLY. Let me first answer the Senator from Maryland. I dislike very much to disagree with my distinguished friend from Maryland. I can see his viewpoint. But I do not agree that the granting of a privilege—not a right—is a vested property right in anything. What would there be to prevent us tomorrow from repealing every trade-mark and copyright law on the statute books? Can any Senator answer that question?

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. TYDINGS. If that were done, I should not object.

Mr. CONNALLY. Does the Senator doubt our power to do it?

Mr. TYDINGS. No; and I am not questioning the power to pass this bill; but we have not repealed all the laws. We pick out a few individuals and say that everyone else may have a trade-mark. To a few individuals we say, "Even though you have had it before Geneva, you can no longer have it."

Mr. CONNALLY. We are not picking out individuals. We are picking out an international purpose and objective, and we are saying, with respect to the emblem of a great organization, that no matter how many individuals are involved, we propose to prevent their use of that emblem.

Mr. TYDINGS. I agree to that.

Mr. CONNALLY. The freedom of the Congress to enact laws within its sovereign power is unlimited. Congress may declare war, and draft young men and send them into the service. A man might say, "I had a contract to work for my employer at \$25,000 a year. Congress declared war and dragged me off to the battlefield, canceling my contract. I want to be recompensed. I want to be paid \$25,000 a year, which I would have earned." Does any one subscribe to such a doctrine?

We enacted a law cutting down the gold content of the dollar. We did it as an act of high sovereignty. We were not trying to deal with individuals. We were not trying to take something out of one man's pocket and put it into another man's pocket. Was the Government responsible to private owners of credits, gold, or anything else? Was the Government liable in damages for what it did?

Mr. President, we enact laws every day which have their economic and business repercussions. The Government does not become responsible therefor. I regret that anyone should feel aggrieved or suffer under the terms of this bill, if it should be enacted; but users of this trade-mark have enjoyed the privilege for many years. They have had a monopoly, as it were, within the scope of their advertising, their emblems, and their copyrights, which the Government has protected and guaranteed to them. Because they have had that privilege for many years, they claim the right in perpetuity. If that doctrine were sound, we could never change it. If a man once had a copyright, he could have it forever. A man may say, "I have had a copyright for all these years, and you cannot take it away from me." That is not sound. The copyright was meant to protect individuals against one another, not against the Government of the United States. It is a mere privilege. It is a mere act of grace on the part of the Government toward its citizens. Of course a copyright can be taken back whenever the Government wishes to take it back.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. O'MAHONEY. I ask to interrupt merely to sustain the statement which the Senator has made with respect to the lack of any real property right in a trade-

mark. The Supreme Court has held in several cases that there is no property right per se in a trade-mark. The right of the user of the trade-mark grows out of the law of fair competition, and he is entitled to be protected in the use of his trade-mark against some other user who may seek to take advantage of the credit, reputation, or name he may have built up. No such question is involved here, because the truth of the matter is, as the evidence before our committee has shown, that as the American Red Cross Society became better and better known, as it gained the support of an increasing number of people in the United States, the attempt by commercial operators to capitalize upon the good name of the American Red Cross Society increased, and users and owners of trade-marks who had registered their marks in one form abandoned the precise form which they had filed in the trade-mark office in order to simulate the symbol of the Red Cross, to make it appear in greater and greater degree that they were in fact purveying some commodity which was supported or originated by the American Red Cross Society. So it seems to me that the question is absolutely one of privilege.

So far as this particular amendment is concerned, it means only that if a person could prove to a court that he in fact had a property right in the insignia he could have his day in court, and I can see no reason why such consent should not be given. But to regard that as a reason for the defeat of the bill seems to me to be utterly without merit. The fundamental point here is that for centuries the red cross has been in the minds of men a symbol of some sort of humanitarian, idealistic effort. The symbol was used for such purpose for centuries before any commercial user in the United States endeavored to use it. The Geneva Conference was held and it was used there. The American Red Cross Society was formed, and it was used by that society. As the work of the Red Cross Society became more and more important, and engaged more and more the support of the people of the United States, those engaged in commercial enterprises sought to capitalize upon the use of the Red Cross insignia. As the Senator from Texas has well said, we have a right to take this privilege away from all commercial users and to say that henceforth the symbol shall be used only by the Red Cross Society.

The Committee on the Judiciary has made several concessions to good-faith users in the hope of getting the pending bill passed. But all through this struggle commercial users who have preyed upon the reputation of the American Red Cross Society have sought in one way or another to becloud the issue, to change men's minds, and to defeat the proposed legislation.

I submit, Mr. President, that no amendment which has been offered today in any way serves to argue against the fundamental right of the United States, through Congress, to assert that henceforth the American Red Cross Society shall have the sole right to the use of



the symbol—and the Senator from Maryland is not objecting to that right.

Mr. CONNALLY. Mr. President, I thank the Senator from Wyoming. With his approval, and with the help of the decisions of the Supreme Court which he indicated had been rendered, without any investigation of the authorities, but relying only on plain old horse sense, I am very much gratified.

The PRESIDING OFFICER. The question is on the motion of the Senator from Connecticut [Mr. DANAHER] to recommit the bill to the Committee on the Judiciary.

Mr. DANAHER. Mr. President, in order that the Senator from Wyoming may have a vote on his amendment, I withdraw my motion.

The PRESIDING OFFICER. The motion is withdrawn.

Mr. O'MAHONEY. Mr. President, I ask that the RECORD show that the amendment was offered by me at the request of the Senator from Maryland.

Mr. REVERCOMB. Mr. President, I do not like to argue a motion which has been withdrawn.

It seems to me that this question has been discussed upon this floor more thoroughly and certainly with more conflict of opinion on the part of the Members of the Senate than any question which has arisen heretofore. I do not question for a moment the power of the Senate to pass this bill. I do question its fairness. I make the motion now that the bill be recommitted to the Committee on the Judiciary.

Mr. DANAHER. Mr. President, will the Senator from West Virginia withhold his motion for a moment?

Mr. REVERCOMB. Does the Senator from Connecticut desire to speak to the point?

Mr. DANAHER. No; I wish to ask the Senator a question.

Mr. REVERCOMB. I yield.

Mr. DANAHER. I wish to ask the Senator to join with me and other Senators to vote on the amendment offered by the Senator from Wyoming. Let us vote it down and get rid of it. If we vote it down that will end it. If we do not succeed in voting it down then we will move to recommit the bill. If the Senator will join me in that endeavor we shall achieve a happy solution.

Mr. REVERCOMB. Voting the amendment down would not end the matter. I think the whole question should be considered. Mr. President, I renew my motion.

The PRESIDING OFFICER. Is the Chair to understand that the Senator from West Virginia withdraws his motion to recommit?

Mr. REVERCOMB. No; I have not withdrawn my motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia that the bill be recommitted to the Committee on the Judiciary.

Mr. O'MAHONEY. Mr. President, allow me to say that I hope the motion of the Senator from West Virginia will not prevail. The Judiciary Committee has given ample study to the subject.

The only question in controversy is with regard to the amendment of the Senator from Maryland. If the Senate should decide to agree to the amendment, it perhaps might be incumbent upon some Member who is opposed to the amendment to move to recommit the bill. But suppose the Senate should reject the amendment. Why should we not attempt to decide the question here on this floor? Let us not attempt to recommit the bill until we know whether the amendment to which the Senator from West Virginia [Mr. REVERCOMB] and the Senator from Connecticut [Mr. DANAHER] object will be agreed to.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BARKLEY. In the final analysis would not the recommitment of the bill, considering the chances that it might remain committed indefinitely, do greater harm to the Red Cross than the adoption of the amendment offered by the Senator from Wyoming?

Mr. O'MAHONEY. There is no doubt about it.

Mr. BARKLEY. So, whether the amendment is rejected or agreed to does not seem to offer any reason why the bill should be recommitment.

Mr. O'MAHONEY. Let the Senate express itself on the amendment offered by me in behalf of the Senator from Maryland, and then we can raise the question of recommitment. I hope the Senate will vote to reject the motion of the Senator from West Virginia to recommit the bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from West Virginia to recommit the bill.

The motion was not agreed to.

The PRESIDING OFFICER. The question now recurs on the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] in behalf of the Senator from Maryland [Mr. TYDINGS]. [Putting the question.] The "noes" seem to have it.

Mr. TYDINGS. Mr. President, I ask for a division.

Mr. PEPPER. Mr. President, will the Chair restate the question.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming in behalf of the Senator from Maryland. A division has been requested.

Mr. PEPPER. Would a vote "aye" be in favor of the amendment?

The PRESIDING OFFICER. Yes.

On a division, the amendment was rejected.

Mr. TYDINGS. Mr. President, for the RECORD will the Chair please announce the vote?

The PRESIDING OFFICER. Under the rules the Chair does not announce the result on a division.

Mr. TYDINGS. I know that the Chair is not obliged to announce the result. However, I do not wish to ask for a roll call, and if the Chair will accommodate the Senator from Maryland he will try to cooperate with the Chair and get on with the discharge of business. There can be no reason why the result of the vote should be secret.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maryland that the Chair announce the result of the vote?

Mr. LA FOLLETTE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. TYDINGS. Mr. President, I ask for the "yeas" and "nays."

Mr. LA FOLLETTE. I make the point of order that the request comes too late.

The PRESIDING OFFICER. The Chair rules that the request comes too late.

The point of order is sustained.

The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 469) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That section 4 of the entitled "An act to incorporate the American National Red Cross," approved January 5, 1905, as amended, is amended to read as follows:

"SEC. 4. That from and after the passage of this act it shall be unlawful for any person within the jurisdiction of the United States to falsely or fraudulently hold himself out as or represent or pretend himself to be a member of or an agent for the American National Red Cross for the purpose of soliciting, collecting, or receiving money or material; or for any person to wear or display the sign of the Red Cross or any insignia colored in imitation thereof for the fraudulent purpose of inducing the belief that he is a member of or an agent for the American National Red Cross. The American National Red Cross and its duly authorized employees and agents and the Army and Navy sanitary and hospital authorities of the United States shall have the sole and exclusive right to use, within the territory of the United States of America and its exterior possessions, the emblem of the Greek Red Cross on a white ground, and the words 'Red Cross' and 'Geneva Cross.' It shall be unlawful for any person, corporation, or association other than the American National Red Cross and its duly authorized employees and agents and the Army and Navy sanitary and hospital authorities of the United States for any charitable purpose, or for any person, corporation, or association for the purpose of trade or as an advertisement to induce the sale of any article whatsoever or for any business purpose, to use within the territory of the United States of America and its exterior possessions the emblem of the Greek Red Cross on a white ground, or any sign or insignia made and colored in imitation thereof, or the words 'Red Cross' or 'Geneva Cross', or any combination of these words. Any person, corporation, or association, or any member, director, officer, agent, representative, or employee thereof, violating any provision of this section shall be guilty of a misdemeanor, and upon conviction in any Federal court shall be fined not more than \$500, or imprisoned for a term not to exceed 1 year, or both."

SEC. 2. Notwithstanding the amendments made by this act to section 4 of such act approved January 5, 1905, as amended, any person, corporation, or association that actually used or whose assignor actually used the Red Cross for any lawful purpose prior to January 5, 1905, may continue to use the Red Cross—

(1) until July 1, 1947, if such use by such person, corporation, or association would have been lawful prior to the date of enactment of this act; and

(2) during an additional period beginning July 1, 1947, and ending July 1, 1953, in the advertising and labeling of any article, (A) if use in the labeling of such article by such person, corporation, or association would have been lawful prior to the date of enactment of this act, (B) if a new trade name, design, or insignia is used in such labeling; and (C) if such use is only of the words "Red Cross", and only for the purpose of indicating, in lettering smaller than the new trade name, design, or insignia, that such article formerly was identified by the Red Cross.

Sec. 3. For purposes of section 4 of such act approved January 5, 1905, as amended, the sale, other than to the American National Red Cross and its duly authorized employees and agents and the Army and Navy sanitary and hospital authorities of the United States, of any article in the labeling of which the Red Cross is used, shall be deemed to be a use of the Red Cross, by the vendor of such article; but the resale, prior to July 1, 1953, by a jobber or retail dealer, of any article lawfully sold by the manufacturer or producer thereof prior to July 1, 1947, or, in the case of any article referred to in paragraph (2) of section 2, prior to July 1, 1953, shall not be held to be a violation of section 4 of such act approved January 5, 1905, as amended by this act.

Sec. 4. As used in sections 2, 3, and 4 of this act, the term—

(a) "Red Cross" means the emblem of the Greek Red Cross on a white ground, or any sign or insignia made or colored in imitation thereof, or the words "Red Cross" or "Geneva Cross", or any combination of such words.

(b) "Labeling" means any written, printed, stamped, or graphic matter upon an article or any of its containers or wrappers.

Mr. O'MAHONEY subsequently said: Mr. President, I ask unanimous consent that there be printed in the RECORD immediately following the action of the Senate upon Senate bill 469 the report of the committee.

The PRESIDING OFFICER. Is there objection?

There being no objection, the report (No. 534) was ordered to be printed in the RECORD, as follows:

The Senate Committee on the Judiciary, to whom was referred the bill (S. 469) to implement article 28 of the convention signed at Geneva on July 27, 1929, relating to the use of the emblem and name of the Red Cross, having carefully considered the same, report favorably thereon with the following amendments and with the recommendation that the bill, as amended, do pass:

Page 2, line 5, after the period, strike out down to and including the word "words" in line 16 and insert in lieu thereof the following:

"The American National Red Cross and its duly authorized employees and agents and the Army and Navy sanitary and hospital authorities of the United States shall have the sole and exclusive right to use, within the territory of the United States of America and its exterior possessions, the emblem of the Greek Red Cross on a white ground, and the words 'Red Cross' or 'Geneva Cross.' It shall be unlawful for any person, corporation, or association other than the American National Red Cross and its duly authorized employees and agents and the Army and Navy sanitary and hospital authorities of the United States for any charitable purpose, or for any person, corporation, or association for the purpose of trade or as an advertisement to induce the sale of any article whatsoever or for any business purpose, to use within the territory of the United States of America and its exterior possessions the emblem of the Greek Red Cross on a white

ground, or any sign or insignia made or colored in imitation thereof, or the words 'Red Cross' or 'Geneva Cross,' or any combination of these words."

Page 3, line 4, strike out "1944" and insert "1947."

Page 3, line 8, strike out "1944" and insert "1947." In the same line strike out the figures "1947" and insert "1950."

Page 3, line 25, strike out "1947" and insert "1950."

Page 4, line 2, strike out "1944" and insert "1947."

Legislation of this character was suggested for the consideration of the Congress in a message of the President of the United States dated April 3, 1942, and was designed the more effectively to carry out the obligations of the United States under the Red Cross Convention of 1929 by which it was agreed that—

"The government of the high contracting parties whose legislation may not now be adequate shall take or shall recommend to their legislatures such measures as may be necessary at all times:

"(a) To prevent the use by private persons or by societies other than those upon which this convention confers the right thereto, of the emblem or of the name of the Red Cross or Geneva Cross, as well as any other sign or designation constituting an imitation thereof, whether for commercial or other purposes;

"(b) By reason of the homage rendered to Switzerland as a result of the adoption of the inverted Federal colors, to prevent the use, by private persons or by organizations, of the arms of the Swiss Confederation or of signs constituting an imitation thereof, whether as trade-marks, commercial labels, or portions thereof, or in any way contrary to commercial ethics, or under conditions wounding Swiss national pride.

"The prohibition mentioned in subparagraph (a) of the use of signs or designations constituting an imitation of the emblem or designation of the Red Cross or Geneva Cross, as well as the prohibition mentioned in subparagraph (b) of the use of the arms of the Swiss Confederation or signs constituting an imitation thereof, shall take effect from the time set in each act of legislation and at the latest 5 years after this convention goes into effect. After such going into effect it shall be unlawful to take out a trade-mark or commercial label contrary to such prohibitions."

In January 1905, after the American National Red Cross had been reincorporated by an act of Congress, commercial exploitation of the Red Cross emblem was prohibited by Federal statute, but this law operated only as to persons and corporations which at that time were not "lawfully entitled to use the sign of the Red Cross."

With the steady growth of the American Red Cross Society, both as to membership and as to its activities, the significance of the symbol as the sign of international work for the relief of the wounded and the suffering both in time of war and in time of peace became constantly better and better known. The charitable efforts of the people of the United States through the American Red Cross Society and of the people of other nations through similar societies gave the symbol and the words a special meaning, and as the work of the Red Cross Society increased, a tendency developed for the expansion of commercial use far beyond that which was not disturbed by the act of January 5, 1905.

It was the opinion of the committee, after long hearings and much consideration, that legislation should be enacted to implement the treaty and to provide eventually that the use of the symbol and the words should be limited rigidly to the American Red Cross Society.

It was recognized, however, that there have been good-faith uses of the symbol. The bill as reported to the Senate, therefore, gives an opportunity for commercial users gradually to abandon the use by providing: First, that those who were lawfully entitled to the use of the Red Cross prior to the act of January 5, 1905, for commercial purposes might continue such use until July 1, 1947; second, that during an additional period of 3 years, namely, to July 1, 1950, the words or the symbol could be used in advertising and labeling if the use was lawful prior to the date of the enactment of the act, if a new trade name, design, or insignia, is used in the labeling and if such use is "only of the words 'Red Cross' and only for the purpose of indicating, in lettering smaller than the new trade name, design, or insignia, that such article formerly was identified by the Red Cross"; and that retailers may be permitted to deal in articles in the labeling of which the Red Cross is used until July 1, 1950. In other words, the bill provides, in effect, first, 3 years' continued use of the symbol by manufacturers; second, 3 years' additional in which to change to a new insignia, and, third, 3 years after 1947 for retailers to dispose of stocks.

The committee is of the opinion that the international character of the work of the Red Cross Society, its great importance in the alleviation of the sufferings of soldiers and sailors in war, and the universal support which the American Red Cross Society receives from the people of the United States, justify an act of Congress making the symbol the exclusive property of the American Red Cross Society. This is particularly true since the Nation has voluntarily assumed a treaty obligation to this effect.

It may be pointed out that the law of trade-marks was a direct development of the law against unfair competition. The courts recognized the right of a commercial user who had established a reputation and goodwill in his business under a particular trade-mark to the exclusive use of that trade-mark in the specific area of his trade, and this protection was granted solely for the purpose of protecting such a user against the unfair competition of another user who sought to capitalize upon his commercial reputation. It was also designed to protect the public against deception. It has been said by the courts that there is no property right in a trade-mark as such, but only a right to be protected against the unfair and deceptive use of a trade-mark by another commercial user.

For example, it was said by Mr. Justice Pitney in *Hanover Milling Co. v. Metcalf* (240 U. S. 403, 413, 414):

"Common-law trade-marks, and the right to their exclusive use, are, of course, to be classed among property rights (*Trade-mark cases*, 100 U. S. 82, 92, 93); but only in the sense that a man's right to the continued enjoyment of his trade reputation and the goodwill that flows from it, free from unwarranted interference by others, is a property right, for the protection of which a trade-mark is an instrumentality. As was said in the same case (p. 94), the right grows out of use, not mere adoption. In the English courts it often has been said that there is no property whatever in a trade-mark, as such. (Per *Ld. Langdale, M. R., in Perry v. Truefitt* (6 Beav. 73); per Vice Chancellor Sir William Page Wood (afterward *Ld. Hatherly*), in *Collins Co. v. Brown* (3 Kay & J. 423, 426; 3 Jur. N. S. 930); per *Ld. Herschell in Reddaway v. Banham* (A. C. 1896, 199, 209)). But since in the same cases the courts recognized the right of the party to the exclusive use of marks adopted to indicate goods of his manufacture, upon the ground that 'A man is not to sell his own goods under the pretense that they are the goods of another man; he cannot be



permitted to practice such a deception, nor to use the means which contribute to that end. He cannot, therefore, be allowed to use names, marks, letters, or other indicia, by which he may induce purchasers to believe that the goods which he is selling are the manufacture of another person' (6 Beav. 73); it is plain that in denying the right of property in a trade-mark it was intended only to deny such property right except as appurtenant to an established business or trade in connection with which the mark is used."

Later, in the case of *United Drug Co. v. Rectanus* (248 U. S. 90, 97), Mr. Justice Pitney wrote as follows:

"The asserted doctrine is based upon the fundamental error of supposing that a trade-mark is a right in gross or at large, like a statutory copyright or a patent for an invention, to either of which, in truth, it has little or no analogy. (*Canal Co. v. Clark* (13 Wall. 311, 322); *McLean v. Fleming* (96 U. S. 245, 254).) There is no such thing as property in a trade-mark except as a right appurtenant to an established business or trade in connection with which the mark is employed. The law of trade-marks is but a part of the broader law of unfair competition; the right to a particular mark grows out of its use, not its mere adoption; its function is simply to designate the goods as the product of a particular trade and to protect his goodwill against the sale of another's product as his; and it is not the subject of property except in connection with an existing business."

In *Prestonettes v. Coty* (264 U. S. 359, 368) Mr. Justice Holmes said:

"A trade-mark only gives the right to prohibit the use of it so far as to protect the owner's goodwill against the sale of another's product as his."

It was the judgment of the committee that the protection of the public against possible deception into the belief that commodities which were being placed on the market by commercial operators were in fact the product of the American Red Cross Society or endorsed by the American Red Cross Society would warrant the passage of this legislation even if there were no treaty obligations at all.

The message from the President of the United States transmitting a report from the Acting Secretary of State with an accompanying draft bill, designed the more effectively to carry out our obligations under the Red Cross convention of 1929 is hereinbelow set forth in full and made a part of this report:

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING A REPORT FROM THE ACTING SECRETARY OF STATE WITH AN ACCOMPANYING DRAFT BILL, DESIGNED THE MORE EFFECTIVELY TO CARRY OUT OUR OBLIGATIONS UNDER THE RED CROSS CONVENTION OF 1929

THE WHITE HOUSE, April 3, 1942.

To the Congress of the United States of America:

I am transmitting for the consideration of the Congress the enclosed report from the Acting Secretary of State, with an accompanying draft bill, designed the more effectively to carry out our obligations under the Red Cross Convention of 1929.

I commend the report and the proposed legislation to the favorable consideration of the Congress.

FRANKLIN D. ROOSEVELT.

DEPARTMENT OF STATE,  
April 1, 1943.

The PRESIDENT:

The protection of the emblem of the Red Cross and the words "Red Cross" and "Geneva Cross," which was important in times of peace, is even more important now that we are at war, and makes it necessary to take steps to prevent their use for commercial purposes.

The Red Cross was given its distinctive name and emblem by the convention of 1864. The United States became a party to

that convention in 1882. The first American National Association of the Red Cross was formed in Washington in 1881. From the beginning it was contemplated that the distinctive name and emblem should be used only by governments, through their medical, sanitary, and relief services, and by the national societies to be formed in the different countries. Unfortunately, our legislation has never been entirely adequate to protect either the name or emblem against commercial exploitation.

It was not until January 5, 1905, when the American National Red Cross was reincorporated by act of Congress, that commercial exploitation was prohibited by Federal statute, and the prohibition enacted was effective only as to persons or corporations not then "lawfully entitled to use the sign of the Red Cross." Two years later, in 1907, on becoming a party to the revised Red Cross Convention of 1906, the United States assumed an express obligation under the convention to prohibit all commercial exploitation. Notwithstanding the obligation thus freely assumed, the act of June 23, 1910, contains a clause providing that "no person, corporation, or association that actually used or whose assignor actually used the said emblem, sign, insignia, or words for any lawful purpose prior to January 5, 1905, shall be deemed forbidden by this act to continue the use thereof for the same purpose and for the same class of goods."

The obligation assumed under the 1906 convention was amplified and reaffirmed in the Red Cross Convention of 1929, to which the United States became a party in 1932, but nothing has been done with respect to amending the acts of 1905 and 1910 so as to carry out the obligation contained in chapter VIII, article 28, of that convention, which provides:

"The Governments of the high contracting parties whose legislation may not now be adequate shall take or shall recommend to their legislatures such measures as may be necessary at all times:

"(a) To prevent the use by private persons or by societies other than those upon which this convention confers the right thereto of the emblem or of the name of the Red Cross or Geneva Cross, as well as any other sign or designation constituting an imitation thereof, whether for commercial or other purposes;

"(b) By reason of the homage rendered to Switzerland as a result of the adoption of the inverted Federal colors, to prevent the use, by private persons or by organizations, of the arms of the Swiss Confederation or of signs constituting an imitation thereof, whether as trade-marks, commercial labels, or portions thereof, or in any way contrary to commercial ethics, or under conditions wounding Swiss national pride.

"The prohibition mentioned in subparagraph (a) of the use of signs or designations constituting an imitation of the emblem or designation of the Red Cross or Geneva Cross, as well as the prohibition mentioned in subparagraph (b) of the use of the arms of the Swiss Confederation or signs constituting an imitation thereof, shall take effect from the time set in each act of legislation and at the latest 5 years after this convention goes into effect. After such going into effect it shall be unlawful to take out a trade-mark or commercial label contrary to such prohibitions."

Other nations recognizing their treaty commitments have enacted laws to prevent the use of the name and emblem for commercial purposes. I am told that the extent to which the name and emblem is presently being used in the sale of varied products has grown out of all proportion to its commercial use in the period prior to the passage of the original act. The resulting confusion is today a source of increasing embarrassment and danger to the Medical Corps of our armed

forces, in our relations with foreign countries, and to the far-flung activities of the American Red Cross.

I attach for your consideration a draft bill designed to amend the existing law in a manner which would enable us to discharge our conventional obligations and at the same time protect our medical and sanitary services and the American Red Cross. The bill was prepared in the Department of Justice and has the approval of the Attorney General and the chairman of the American National Red Cross. I also understand that it has the approval of the Surgeons General of the Army and the Navy.

Respectfully submitted.

SUMNER WELLES,  
Acting Secretary of State.

A bill to implement article 28 of the convention signed at Geneva on July 27, 1929, and proclaimed by the President on August 4, 1932 (47 Stat. 2074, 2092), by making it a criminal offense for any person to use the emblem and name of the Red Cross for commercial or other purposes

Be it enacted, etc., That section 4 of the act entitled "An act to incorporate the American National Red Cross," approved January 5, 1905 (33 Stat. 800), as amended (act of June 23, 1910, 36 Stat. 604, U. S. Code, title 36, sec. 4), be, and it hereby is, further amended to read as follows:

"Sec. 4. That from and after the passage of this act it shall be unlawful for any person within the jurisdiction of the United States to falsely or fraudulently hold himself out as, or represent or pretend himself to be, a member of or an agent for the American National Red Cross for the purpose of soliciting, collecting, or receiving money or material; or for any person to wear or display the sign of the Red Cross or any insignia colored, in imitation thereof for the fraudulent purpose of inducing the belief that he is a member of or an agent for the American National Red Cross. It shall be unlawful for any person, corporation, or association other than the American National Red Cross and its duly authorized employees and agents and the Army and Navy sanitary and hospital authorities of the United States for the purpose of trade or as an advertisement to induce the sale of any article whatsoever or for any business or charitable purpose to use within the territory of the United States of America and its exterior possessions the emblem of the Greek red cross on a white ground, or any sign or insignia made or colored in imitation thereof, or of the words 'Red Cross' or 'Geneva Cross' or any combination of these words: *Provided, however,* That any person, corporation, or association that actually used or whose assignor actually used the said emblem, sign, insignia, or words for any lawful purpose prior to January 5, 1905, may continue the use thereof for the same purpose and for the same class of goods for a period not exceeding 1 year after the date of the enactment of this act. If any person, corporation, or association, or any member, director, officer, agent, representative, or employee thereof violates the provision of this section he shall be deemed guilty of a misdemeanor, and upon conviction in any Federal court shall be liable to a fine of not more than \$5,000, or imprisonment for a term not exceeding 1 year, or both, for each and every offense."

Also printed below is a letter from the Secretary of State to the Honorable SOL BLOOM under date of May 23, 1942, with regard to this matter:

DEPARTMENT OF STATE,  
Washington, May 23, 1943.

Hon. SOL BLOOM,

Chairman, Committee on Foreign Affairs,  
House of Representatives.

MY DEAR MR. BLOOM: The following relates to the bill H. R. 6911, introduced by you on



April 9, 1942, to implement article 28 of the convention signed at Geneva on July 27, 1929, by preventing the use of the Red Cross insignia for commercial purposes.

I understand that your committee has held extensive hearings on this bill, which naturally has encountered considerable opposition from people who have been using the Red Cross as a trade-mark on their products and in their establishments. It is not my purpose to review those hearings or to undertake to combat the arguments that have been advanced against the proposed measure, but rather to state from an unbiased point of view my understanding of our obligations under the convention.

The bill relates to paragraph (a) of article 28 of the convention. The article reads:

"The Governments of the high contracting parties whose legislation may not now be adequate shall take or shall recommend to their legislatures such measures as may be necessary at all times:

"(a) To prevent the use by private persons or by societies other than those upon which this convention confers the right thereto, of the emblem or of the name of the Red Cross or Geneva Cross, as well as any other sign or designation constituting an imitation thereof, whether for commercial or other purposes.

"(b) By reason of the homage rendered to Switzerland as a result of the adoption of the inverted Federal colors, to prevent the use, by private persons or by organizations, of the arms of the Swiss Confederation or of signs constituting an imitation thereof, whether as trade-marks, commercial labels, or portions thereof, or in any way contrary to commercial ethics, or under conditions wounding Swiss national pride.

"The prohibition mentioned in subparagraph (a) of the use of signs or designations constituting an imitation of the emblem or designation of the Red Cross or Geneva Cross, as well as the prohibition mentioned in subparagraph (b) of the use of the arms of the Swiss Confederation or signs constituting an imitation thereof, shall take effect from the time set in each act of legislation and at the latest 5 years after this convention goes into effect. After such going into effect it shall be unlawful to take out a trade-mark or commercial label contrary to such prohibitions."

I understand that there has been discussion before the committee of the words "shall take or shall recommend to their legislatures" such measures as may be necessary to prevent the use of the Red Cross or Geneva Cross, etc. I think that you and I, as well as members of the committee, can readily appreciate why this obligation was placed in the alternative form, i. e., "shall take or shall recommend." It was realized that this convention, like many other international agreements, would require implementation. Some of the signatory governments might have been able to implement it by orders or decrees, but it was recognized that governments such as our own would be under the necessity of seeking the assistance of their respective legislative bodies. In such cases the executive could only recommend legislation. The provision in this convention is not unique in this respect.

However, our obligation under the convention is not fulfilled merely by making a recommendation. I say this for the reason that the last paragraph of article 28 clearly shows that the prohibition against the use of the Red Cross or Geneva Cross "shall take effect . . . at the latest 5 years after this convention goes into effect." Herein lies our unqualified obligation to restrict the use of the Red Cross insignia to the purposes contemplated by the agreement.

Questions have also been raised at the hearings, I believe, as to why, if the convention contemplated an absolute prohibition, on the use of the emblem for commercial

purposes, the executive branch of the Government did not earlier recommend legislation for this purpose. I shall not undertake to answer this question except by stating that, as you and I well know, it is not uncommon for administrative officials to allow matters of this sort to drift until there is some impelling reason for action.

At the time the act of January 5, 1905, was passed there was no provision in the convention under which we were then operating, namely, that of 1864, regarding the use of the Red Cross emblem for commercial purposes. Yet the Congress restricted the use of persons and corporations who were then lawfully entitled to use it. Later we became a party to the convention of 1906 containing restrictive provisions, and the Congress on June 23, 1910, passed an act confining the use of the emblem to persons, corporations, or associations which had used it for lawful purposes prior to January 5, 1905, but limiting the use to the "same purpose and for the same class of goods."

The convention of 1929 broadened the scope of the earlier convention in many particulars and incorporated article 28, which I have quoted above. There can be no doubt, it seems to me, as to our obligation under that article, and it is hardly worthy of us to rely upon what was done in 1910 as a fulfillment of this unqualified obligation. The fact that we failed in 1910 to enact adequate legislation is no excuse for our failure now to comply with our undertaking. The 32 years which have elapsed since the act of 1910 was passed have brought about many changes in world affairs. We are today in the midst of a struggle for human freedom and for the alleviation of the condition of oppressed peoples. We are in immediate need of the full benefits of the Red Cross convention, which has for its purpose the amelioration of human suffering and the condition of the sick and wounded on the field of battle. Commercial interests in many directions have been required to adjust themselves to the war needs of our country and to requirements for the preservation of our domestic institutions. It should be our purpose to surround the Red Cross, a symbol of missions of mercy, with every safeguard against uses likely to impair its effectiveness. None of us has any desire unreasonably to interfere with the legitimate commerce and trade of our people, but I think that all of us have a desire to foster and advance humanitarian endeavors. This is characteristic of our people. I have great doubt as to whether by confining the use of the Red Cross insignia to Red Cross purposes the general course of our commercial endeavors would be greatly affected, certainly not for long. Our business people are too ingenious to permit such a situation to develop. Moreover, I am disinclined to believe that any manufacturer would desire to hold on to a trade-mark if he felt that to do so would prejudice the common good. In my judgment, the common good can best be served by reserving for the exclusive use of the medical services of the Army and Navy and the Red Cross organizations an emblem which has been chosen as their symbol and which we, along with other governments, have by treaty undertaken to protect. I do not think that we should be less liberal in giving effect to these obligations than have other governments parties to the convention.

I am, therefore, hopeful and strongly recommend that the bill which you have under consideration shall be enacted into law.

Sincerely yours,

CORDELL HULL.

Mr. STEWART subsequently said: Mr. President, I wish to enter a motion to reconsider the votes by which Senate bill 469 was ordered to be engrossed for a third reading, read the third time, and

passed. I think we have done a rather serious thing because, while I did not enter into the debate, I feel rather strongly that there is a very definite moral obligation on the part of the United States Government in this case. That is why I enter the motion. I should like to have the motion go over and not be acted upon this afternoon, but taken up possibly tomorrow, or at some other time which may be satisfactory to the Senate I should like to be allowed to call it up. I do not want it acted on this afternoon, and I do not make it with that in mind. It is a matter I desire to look into carefully. I feel we should give more consideration to it.

The PRESIDING OFFICER. The motion will be entered.

#### THE SWISS COAT OF ARMS

Mr. O'MAHONEY. Mr. President, I wish to call the attention of the Senate to the fact that there is on the calendar Order of Business No. 567, Senate bill 470, which is a measure quite similar to the one we have just passed. It is intended to carry out the provisions of the same treaty we have been discussing, but with respect to the arms of the Swiss Confederation—that is to say, the white cross upon the red background. I think the bill should be passed at the same time, and with the same amendments that were adopted with respect to the bill the Senate has just acted upon. I ask unanimous consent that the measure may be taken up and passed.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 470) to implement article 28 of the convention signed at Geneva on July 27, 1929, relating to the use of the coat of arms of the Swiss Confederation for commercial or other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WHITE. Mr. President, I did not hear the Senator's request.

Mr. O'MAHONEY. The Red Cross Convention of 1929, to which the Government of the United States was a signatory, contained this provision:

The governments of the high contracting parties whose legislation may not now be adequate shall take or shall recommend to their legislatures such measures as may be necessary at all times—

(a) To prevent the use by private persons or by societies other than those upon which this convention confers the right thereto, of the emblem or of the name of the Red Cross or Geneva Cross, as well as any other sign or designation constituting an imitation thereof, whether for commercial or other purposes;

(b) By reason of the homage rendered to Switzerland as a result of the adoption of the inverted federal colors, to prevent the use, by private persons or by organizations, of the arms of the Swiss Confederation or of signs constituting an imitation thereof, whether as trade-marks, commercial labels, or portions thereof, or in any way contrary to commercial ethics, or under conditions wounding Swiss national pride.

Two measures were introduced and two measures were recommended by the Committee on the Judiciary. The first



of these, having to do with the protection of the Red Cross, has just been passed. The second has to do with the protection of the inverted federal colors, the arms of the Swiss Confederation. The two bills are the same to all intents and purposes, and I am asking unanimous consent that, since we have disposed of the one, we now pass the second.

Mr. WHITE. The Senator is asking for the immediate consideration of the bill?

Mr. O'MAHONEY. Yes.

Mr. WHITE. Of course, this bill is not identical with the bill which has just been passed.

Mr. O'MAHONEY. No; because one had to do with the Red Cross, and the one I am now discussing has to do with the white cross with the red background, the emblem of the Swiss Confederation.

Mr. WHITE. How long has the second bill been on the calendar?

Mr. O'MAHONEY. It has been on the calendar practically the same length of time the other has.

Mr. WHITE. Has it been objected to when reached on the call of the calendar?

Mr. O'MAHONEY. It has not been objected to. All the controversy was with respect to the first bill. No representations were made to the committee about the second bill.

Mr. WHITE. I have no objection, in view of the explanation.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 470) to implement article 28 of the convention signed at Geneva on July 27, 1929, relating to the use of the coat of arms of the Swiss Confederation for commercial or other purposes, which had been reported from the Committee on the Judiciary with amendments.

The first amendment of the Committee on the Judiciary was, in section 2, page 2, line 21, after the date "July 1" and the comma to strike out "1944" and insert "1947."

The amendment was agreed to.

The next amendment was, on page 2, line 25, after the date "July 1" and the comma, to strike out "1947" and insert "1950".

Mr. O'MAHONEY. Mr. President, in accordance with the action taken on motion of the Senator from Ohio [Mr. TART] in regard to a similar provision in the Red Cross bill, I move to amend this amendment by striking out "1950" and inserting "1953".

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. LANGER. Mr. President, I have just come into the Chamber. What is under consideration?

The PRESIDING OFFICER. Calendar No. 567, Senate bill 470.

Mr. LANGER. I have no objection.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment of the committee was, in section 3, page 3, line 10, after the word "For" to insert the word "the."

The amendment was agreed to.

The next amendment was, on page 3, line 14, after the date "July 1" and the comma, to strike out "1947" and insert "1950."

Mr. O'MAHONEY. Mr. President, in accordance with the action heretofore taken at the instance of the Senator from Ohio [Mr. TART], I move to amend the amendment by striking out "1950" and inserting "1953."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the committee was, on page 3, line 16, after the date "July 1" and the comma, to strike out "1944" and insert "1947."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. O'MAHONEY. Mr. President, I move to amend on page 3, line 4, after the word "act," to strike out the semicolon and insert a comma.

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, I move to amend on page 3, line 18, after the date "July 1," to strike out "1950" and insert "1953."

The amendment was agreed to.

Mr. O'MAHONEY. Now, returning to page 2, in accordance with the amendment made in the bill we have just passed, I move to amend on line 8, after the word "made," by striking out the word "or" and inserting the word "and."

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 470) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the act entitled "An act to prohibit the commercial use of the coat of arms of the Swiss Confederation, pursuant to the obligation of the Government of the United States under article 28 of the Red Cross Convention signed at Geneva July 27, 1929," approved June 20, 1936 (U. S. C., 1940 edition, title 22, sec. 248), is amended to read as follows:

"That it shall be unlawful for any person, partnership, incorporated or unincorporated company, or association within the jurisdiction of the United States to use, whether as a trade-mark, commercial label, or portion thereof, or as an advertisement or insignia for any business or organization or for any trade or commercial purpose, the coat of arms of the Swiss Confederation, consisting of an upright white cross with equal arms and lines on a red ground, or any sign or insignia made and colored in imitation thereof. Any person, corporation, or association, or any member, director, officer, agent, representative, or employee thereof, violating any provision of this section shall be guilty of a misdemeanor, and upon conviction in any Federal court shall be fined not more than \$500, or imprisoned for a term not to exceed 1 year, or both."

SEC. 2. Notwithstanding the amendments made by this act to such act approved June 20, 1936, any person, corporation, or association that actually used or whose assignor actually used the white cross for any lawful purpose for 10 years next preceding June 20, 1936, may continue to use the white cross—

(1) until July 1, 1947, if such use by such person, corporation, or association would have been lawful prior to the date of enactment of this act; and

(2) during an additional period beginning July 1, 1947, and ending July 1, 1953, in the advertising and labeling of any article, (A) if use in the labeling of such article by such person, corporation, or association would have been lawful prior to the date of enactment of this act, (B) if a new trade name, design, or insignia is used in such labeling; and (C) if such use is only of the words "white cross," and only for the purpose of indicating, in lettering smaller than the new trade name, design, or insignia, that such article formerly was identified by the white cross.

SEC. 3. For the purpose of such act approved June 20, 1936, the sale of any article in the labeling of which the white cross is used shall be deemed to be a use of the white cross by the vendor of such article; but the resale, prior to July 1, 1953, by a jobber or retail dealer, of any article lawfully sold by the manufacturer or producer thereof prior to July 1, 1947, or, in the case of any article referred to in paragraph (2) of section 2, prior to July 1, 1953, shall not be held to be a violation of the act approved June 20, 1936, as amended by this act.

SEC. 4. As used in sections 1, 2, and 3, of this act, the term—

(a) "White Cross" means the coat of arms of the Swiss Confederation, consisting of an upright white cross with equal arms and lines on a red ground, or any sign or insignia made or colored in imitation thereof.

(b) "Labeling" means any written, printed, stamped, or graphic matter upon an article or any of its containers or wrappers.

#### SCENIC PARKWAY IN THE GREAT SMOKY MOUNTAINS NATIONAL PARK

Mr. STEWART. Mr. President, I ask unanimous consent for the immediate consideration of Calendar No. 558, House bill 1388, to authorize the acceptance of donations of land for the construction of a scenic parkway to provide an appropriate view of the Great Smoky Mountains National Park from the Tennessee side of the park. The bill was reported favorably from the Committee on Public Lands and Surveys, without amendment, as it passed the House of Representatives, on the 1st of December last by the senior Senator from New Mexico [Mr. HATCH], the chairman of the committee. I ask unanimous consent for the immediate consideration of the bill.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

Mr. DANAHER. Mr. President, when the calendar was called on December 9, on behalf of Senators who were not then and are not now present, I entered objection to the consideration of the bill on the unanimous-consent call. They were absent on important business, and left it to me to note their objections. In the light of the fact that Senators who are interested in the measure are not present, I think the bill should go over. It well may be, let me say to the junior Senator from Tennessee, that whatever difficulty there may have been in the minds of Senators can easily be resolved, and I will see whether or not it can be done, and I shall notify the Senator.

Mr. STEWART. Can the Senator indicate to me what objection may be in the minds of Senators? I should like to know.

Mr. DANAHER. Yes. I do not have my calendar before me. There was something in the bill to the effect that

the average width of the right-of-way to be acquired should be not less than 300 yards. I think that is what the bill provided. In any case, it specified an average width, whether 300 yards, or a quarter of a mile, or a mile and a half. The point is obviously that out of any such arrangement, in such transfer of property to the Government, in the course of the acquisition, preferred sites for commercial use could easily be allocated to a person who received a roadside privilege, even though the average depth at that point were 800 or 900 or a thousand yards. Therefore, Mr. President, it seemed to some Senators, as I understand, that the question should be inquired into further. I will say to the Senator that I have never even seen the Great Smoky Mountain group—

Mr. STEWART. The Senator has missed one of the great opportunities of his life.

Mr. DANAHER. I have not had time enough to go there, I will say to the Senator. But the Senator must admit that there are such possibilities inherent in this situation, and Senators have had that in mind. If the route were so to be laid out that no preferential advantage might be gained by some grantor who gave his property to his Government, reserving to himself and to his children life use, so long as he obtained a preferred site, perhaps no objection could arise.

Mr. STEWART. I will say to the Senator, since he has interposed objection, that as soon as he can communicate to me the objections of the Senators for whom he speaks, I shall endeavor to arrange to have present at a meeting members of the park commission and others interested, who, I hope, will clear away the objections which the Senators might have.

Mr. DANAHER. I shall be glad to cooperate.

The PRESIDING OFFICER. Objection is heard to the present consideration of the bill.

#### EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. WALLGREN in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WAGNER, from the Committee on Banking and Currency:

Charles T. Fisher, Jr., of Michigan, to be a member of the board of directors of the Reconstruction Finance Corporation for a term of 2 years from January 22, 1944 (reappointment);

Charles B. Henderson, of Nevada, to be a member of the board of directors of the

Reconstruction Finance Corporation for a term of 2 years from January 22, 1944 (reappointment); and

Henry A. Mulligan, of New York, to be a member of the board of directors of the Reconstruction Finance Corporation for a term of 2 years from January 22, 1944 (reappointment).

By Mr. BALL, from the Committee on Banking and Currency:

Howard J. Klossner, of Minnesota, to be a member of the board of directors of the Reconstruction Finance Corporation for a term of 2 years from January 22, 1944 (reappointment).

By Mr. MCKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

#### NOMINATION OF SAM HUSBANDS TO BE A MEMBER OF RECONSTRUCTION FINANCE CORPORATION—REPORT OF BANKING AND CURRENCY COMMITTEE

Mr. MAYBANK. Mr. President, today it is my privilege to report favorably from the Committee on Banking and Currency the nomination of Hon. Sam Husbands, of South Carolina, for reappointment as a member of the Board of Directors of the Reconstruction Finance Corporation for a term of 2 years from January 22, 1944. This has given me great pleasure, as Mr. Husbands is a distinguished, able, and highly esteemed citizen of my State.

The PRESIDING OFFICER. The report will be received and the nomination will be placed on the Executive Calendar.

#### NOMINATION OF MARRINER S. ECCLES TO BE A MEMBER OF THE BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM—REPORT OF BANKING AND CURRENCY COMMITTEE

Mr. MURDOCK. Mr. President, from the Committee on Banking and Currency I report favorably the nomination for reappointment of Hon. Marriner S. Eccles, of Ogden, Utah, to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1944.

Mr. President, I feel that it would be proper at this time to state that Mr. Eccles has been a member and Chairman of the Federal Reserve Board for a great number of years, and, in my opinion, has rendered very significant and important service to his Government, to the banking fraternity of the United States, and to the people while holding this important position.

Prior to coming to the service of the Government, first in the Treasury Department, and then in the Federal Reserve System, Mr. Eccles was one of the West's greatest and most progressive bankers. Many important improvements, Mr. President, have been made in our Federal Reserve System under the leadership and the sponsorship of Governor Eccles.

In my opinion, there is today no agency of our Government more important to this country's economy than that of the Federal Reserve System. Mr. Eccles has demonstrated without doubt that he is a very faithful, honest, and industrious public servant, and, in my opinion, the Government of the United States and the people of the United States are fortunate in having a man of the ability and the compre-

hension of Mr. Eccles to fill this very important position.

The report made by the Committee on Banking and Currency of the Senate was without opposition, and I trust that the action of the Senate will be the same.

The PRESIDING OFFICER. The report will be received and the nomination will be placed on the Executive Calendar.

If there be no further reports of committees the clerk will state the nominations on the Executive Calendar.

#### MARINE CORPS—NOMINATION PASSED OVER

The Legislative Clerk read the nomination of Col. William P. T. Hill to be quartermaster of the Marine Corps, with the rank of brigadier general, for a period of 4 years from February 1, 1944, which nomination had been previously passed over.

Mr. BARKLEY. Mr. President, yesterday I announced that I would seek to obtain action on this nomination today, if it were agreeable to all Senators concerned. I am now informed that the Senator from South Dakota [Mr. BUSHFIELD] wishes to speak 30 or 40 minutes on the nomination, which I think would be a futile performance at this time of the day.

I think I may state that the only question involved, so far as I can gather, is this: There is no objection to Colonel Hill, but objection is made because in being appointed brigadier general he has been jumped over another officer or two, who have probably inspired the delay in his confirmation.

I know nothing about Colonel Hill or about the ranking officers who seem to take umbrage at his appointment. If what I have said be true, it is nothing more or less than what has been going on since the Government was established. Officers have been appointed by the present President, and by all Presidents, over other men who outranked them from a technical standpoint. The Senate, so far as I know, has never refused to confirm an appointee simply because he was a little below the rank of someone else who, naturally, desired the appointment.

Mr. President, while I am not going to punish the Senate this afternoon by insisting that we proceed with consideration of this nomination, it is my purpose, and it is the purpose of the Senator from Massachusetts [Mr. WALSH], to secure action on the matter as soon as possible.

Mr. WALSH of Massachusetts. Mr. President, I want to add to what the Senator from Kentucky has said, that it so happens that not a single chief of a bureau in the Navy is in his present post of duty by reason of seniority. So there is no rule or practice or custom by which the Senate is to be bound.

The action taken with respect to promotions in the Navy is taken with the knowledge of the head of the Navy Department or the Chief of Naval Operations, or in the case of the Marine Corps, with the knowledge of the Commandant of the Marine Corps. It is their custom to submit names and make recommendations of men best qualified for the particular jobs.



In the case in question, the post involved is in the Quartermaster's Department. It is a very important post, and the man nominated to this post seems to be the one best qualified.

Mr. BARKLEY. Mr. President, it is not only the rule in the Marine Corps, but it is and ought to be the rule in all branches of the service, that those in charge exercise their discretion with respect to appointment of the men best qualified for particular jobs. Those in charge should not be restricted always by the strait jacket of seniority. I do not recall any President, or any Secretary of War, or Secretary of the Navy, or any board of selection regarding himself or themselves as meticulously bound by the question of seniority in the matter of appointing the right man to the right job.

Mr. WALSH of Massachusetts. The present Commandant of the Marine Corps was appointed to his post over another man who was ahead of him. It does not follow that the heads of departments should be restricted in making appointments on the basis of seniority.

Mr. BARKLEY. No. We all recall that a great furor was raised during the administration of President Theodore Roosevelt because he appointed Gen. Leonard Wood over a number of other officers. I think he jumped Leonard Wood over 40 or 50 Army officers who outranked him. That action created quite a furor, but General Wood was confirmed, nevertheless, by the Senate of the United States.

The same statement can be made with respect to the present Chief of Staff, General Marshall. He was appointed by the President, although other Army officers outranked him in seniority of service. I do not think anyone would say that the President made any mistake in appointing General Marshall Chief of Staff of the United States Army.

Mr. WALSH of Massachusetts. The rank which the officer in question is given is a rank which is attached to the position of the chief of the department, and ends at the expiration of 4 years.

Mr. BARKLEY. That is true. I simply wanted to make this comment for the information of Senators. I do not care to indulge now at this late hour in probably an hour's discussion of the nomination, and therefore I agree that it may go over once more.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

The clerk will state the next nomination on the calendar.

#### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

#### THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. WALSH of Massachusetts. I ask that the nominations in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Marine Corps nominations are confirmed en bloc.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the President be notified immediately of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

#### RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 20 minutes p. m.) the Senate took a recess until tomorrow, Thursday, January 20, 1944, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate January 19 (legislative day of January 11), 1944:

##### THE JUDICIARY

Sterling Hutcheson, of Virginia, to be United States district judge for the eastern district of Virginia, vice Hon. Luther B. Way, deceased.

##### POSTMASTERS

The following-named persons to be postmasters:

##### ALABAMA

Fannie K. Frederick, Hackleburg, Ala., in place of A. H. Powell, deceased.  
George R. Tyler, Pinson, Ala. Office became Presidential July 1, 1943.

##### ARKANSAS

Mrs. Archie Beard, Barling, Ark. Office became Presidential July 1, 1943.  
Lady E. Weatherston, Pottsville, Ark. Office became Presidential July 1, 1943.  
Edna M. Brown, Peach Orchard, Ark. Office became Presidential July 1, 1943.  
Edith L. Armstrong, Pea Ridge, Ark. Office became Presidential July 1, 1943.  
William M. Dickens, Bigelow, Ark., in place of M. B. Wurz, deceased.  
Robert H. Bridger, Brookland, Ark. Office became Presidential July 1, 1943.  
John M. Simmons, Harrisburg, Ark., in place of H. D. Landers, removed.  
Kathryn Arnold, Midland, Ark. Office became Presidential July 1, 1943.

##### COLORADO

Glenn F. Frost, Henderson, Colo. Office became Presidential July 1, 1943.

##### CONNECTICUT

Bruce B. Randall, Bridgewater, Conn. Office became Presidential July 1, 1943.  
Robert J. Boyd, South Kent, Conn. Office became Presidential July 1, 1943.  
Ralph A. Booth, Stafford, Conn. Office became Presidential July 1, 1943.

##### FLORIDA

Cecilia G. Hanson, Belleview, Fla. Office became Presidential July 1, 1943.  
Wendell L. Longstreth, Bradenton Beach, Fla. Office became Presidential July 1, 1943.  
Ralph A. McIntosh, Brandon, Fla. Office became Presidential July 1, 1943.  
Etta Matthews, Caryville, Fla. Office became Presidential July 1, 1943.  
Clara Wicker, Coleman, Fla. Office became Presidential July 1, 1943.  
Harriet J. Cooper, Crawfordville, Fla. Office became Presidential July 1, 1943.

Thomas J. Chapman, Goulds, Fla., in place of W. H. Owens, retired.  
Arthur J. Allen, Lake Park, Fla., in place of A. D. Nelms, resigned.

##### GEORGIA

Rossie Harrison, Martin, Ga. Office became Presidential July 1, 1943.  
William D. Bennett, Molena, Ga. Office became Presidential July 1, 1943.  
Richard A. Lawson, Morven, Ga. Office became Presidential July 1, 1943.  
John W. Dugger, Oliver, Ga. Office became Presidential July 1, 1943.  
Laura B. Roberts, Pooler, Ga. Office became Presidential July 1, 1943.  
Lela B. Richardson, Riceboro, Ga. Office became Presidential July 1, 1943.  
William E. Fitts, Rocky Ford, Ga. Office became Presidential July 1, 1943.  
John S. Farrar, Scottdale, Ga. Office became Presidential July 1, 1943.  
Lonnie L. Crow, Statham, Ga. Office became Presidential July 1, 1943.  
Seaborn G. Jones, White Plains, Ga. Office became Presidential July 1, 1943.  
Jewell J. Bailey, Whitesburg, Ga. Office became Presidential July 1, 1943.  
Ralph J. Chandler, Winterville, Ga. Office became Presidential July 1, 1943.

##### ILLINOIS

Chris R. Leins, Danville, Ill., in place of J. H. Elliott. Incumbent's commission expired July 26, 1939.  
Charles L. Altman, Edgewood, Ill., in place of Scottie Brown, resigned.  
Clayton B. Faber, Genoa, Ill., in place of L. J. Kiernan, deceased.  
David H. McClugage, Peoria, Ill., in place of T. J. Cody. Incumbent's commission expired June 23, 1942.

##### IOWA

Stanley G. Douglas, Alden, Iowa, in place of A. H. Blackmore. Incumbent's commission expired June 23, 1942.  
Mary Conway, Cylinder, Iowa. Office became Presidential July 1, 1943.  
Emil H. Engel, Dixon, Iowa. Office became Presidential July 1, 1943.  
Georgetta B. Dolezal, Elberon, Iowa. Office became Presidential July 1, 1943.  
Albert C. Oetzmann, Eldridge, Iowa. Office became Presidential July 1, 1943.  
William Molloy, Galva, Iowa, in place of William Molloy. Incumbent's commission expired March 2, 1941.  
Ray A. Fox, Hampton, Iowa, in place of H. C. Shafer, transferred.  
Mabel I. Olson, Hanlontown, Iowa. Office became Presidential July 1, 1943.  
Lucille M. Wright, Linden, Iowa. Office became Presidential July 1, 1943.  
Frank L. Ratliff, Lynnville, Iowa. Office became Presidential July 1, 1943.  
Marshall D. Thomson, Oakville, Iowa, in place of R. O. Mellinger, transferred.  
Jessie W. Hart, Webb, Iowa, in place of E. A. Howe, deceased.

##### KANSAS

Beulah M. Warner, Carbondale, Kans. Office became Presidential July 1, 1943.  
David Basye, Coats, Kans. Office became Presidential July 1, 1943.  
Dyarl L. Newkirk, Elk City, Kans., in place of Page Manley, transferred.  
Otto B. Critchfield, Mission, Kans., in place of F. A. Wurtenberger, deceased.  
George E. Bartlett, St. John, Kans., in place of J. J. Owen, transferred.

##### LOUISIANA

Mattie P. Jones, Downsville, La. Office became Presidential July 1, 1943.  
Gladys Trask Graves, Norwood, La. Office became Presidential July 1, 1943.  
Eliud D. McCallum, Ruston, La., in place of Z. J. Meadows, removed.

## MAINE

Myrtle S. Hardy, Freedom, Maine. Office became Presidential July 1, 1943.

## MASSACHUSETTS

Theresa K. Larkin, Haydenville, Mass., in place of J. R. Mansfield, retired.  
 Newell A. Ritchie, North Billerica, Mass., in place of N. R. Mahoney, retired.  
 Brantson K. Fuller, South Easton, Mass., in place of Maurice Williams, resigned.  
 Annie W. Baker, South Yarmouth, Mass., in place of F. F. Collins, deceased.

## MICHIGAN

David E. Visnaw, St. Clair Shores, Mich., in place of Helen MacMillan, resigned.  
 George Q. Brace, Sparta, Mich., in place of Lyle O'Connor, deceased.  
 Edwin T. Nyquist, Vestaburg, Mich., in place of E. L. Erskin, transferred.

## MINNESOTA

Earl J. Baker, Dundas, Minn. Office became Presidential July 1, 1942.  
 William J. Janssen, Jr., Mountain Lake, Minn., in place of A. F. Scheibel. Incumbent's commission expired June 23, 1942.

## MISSISSIPPI

Mabel C. Basham, Hamilton, Miss. Office became Presidential July 1, 1943.

## MISSOURI

Grover C. Hayes, Anderson, Mo., in place of E. M. McKinney, resigned.  
 Lee Dickson, Carrollton, Mo., in place of Lee Dickson. Incumbent's commission expired May 22, 1938.  
 Neil Henderson, Lillbourn, Mo., in place of M. L. Castleberry, deceased.  
 James Russell Howerton, Noel, Mo., in place of E. T. Rousselot, transferred.  
 William I. McDougall, Purdy, Mo., in place of W. G. Ray, transferred.  
 Eugene T. Craig, Summersville, Mo., in place of F. E. Scott. Incumbent's commission expired June 23, 1942.

## MONTANA

William E. Conn, Forsyth, Mont., in place of C. A. Westphal. Incumbent's commission expired June 23, 1942.  
 Knute E. Johnson, Ronan, Mont., in place of Godfrey Johnson, removed.

## NEBRASKA

Grace H. Smith, Bennet, Nebr., in place of A. E. Wallick, resigned.  
 James M. Timmons, Eustis, Nebr., in place of E. G. Grabenstein, deceased.  
 Bertha P. Palmer, Fairfield, Nebr., in place of Rex Shubert, resigned.

## NEW JERSEY

John N. Stonaker, Cranbury, N. J., in place of E. W. Walker, retired.  
 Joseph V. Lynch, Kenil, N. J., in place of R. F. Holt, deceased.

## NEW MEXICO

Denzel L. Lee, Dexter, N. Mex., in place of D. L. Lee. Incumbent's commission expired December 23, 1941.

## NEW YORK

DeVerne A. Lewis, Canastota, N. Y., in place of DeVerne A. Lewis. Incumbent's commission expired June 23, 1942.  
 Thomas M. Townsend, Carmel, N. Y., in place of T. M. Townsend. Incumbent's commission expired June 23, 1942.  
 Anson A. La Roue, Harrisville, N. Y., in place of Charles Hogan, resigned.  
 Mary A. Jerzman, Houghton, N. Y., in place of R. B. Ingersoll, resigned.  
 Frances D. McClenon, Jamesville, N. Y., in place of J. T. McConnell, resigned.  
 Joseph L. McKernan, Lake Ronkonkoma, N. Y., in place of A. A. Matson, removed.

William J. Devitt, Montgomery, N. Y., in place of Edward Devitt, deceased.

## NORTH CAROLINA

Robert M. Kiser, Bessemer City, N. C., in place of S. B. Hovis, transferred.

## NORTH DAKOTA

Forrest C. Cowles, Ellendale, N. Dak., in place of J. B. DuRand, removed.

## OHIO

Carl W. Somerville, Frazeeburg, Ohio, in place of O. D. Blizard, resigned.  
 Frank Cave, Mansfield, Ohio, in place of H. E. Homberger, deceased.

## OKLAHOMA

Ed Whiteaker, Panama, Okla. Office became Presidential July 1, 1942.  
 G. Phillips Hines, Watts, Okla. Office became Presidential July 1, 1943.

## OREGON

Henry R. Crawford, Salem, Oreg., in place of H. R. Crawford. Incumbent's commission expired June 18, 1942.

## PENNSYLVANIA

Frank C. Davis, Alum Bank, Pa. Office became Presidential July 1, 1943.  
 Charlotte E. Capwell, Factoryville, Pa., in place of J. R. Thurston, retired.  
 Bertha M. Flesser, Farm School, Pa., in place of C. L. Goodling, resigned.  
 James A. Donahue, Heliwood, Pa. Office became Presidential July 1, 1943.  
 Walter W. Gilmore, Hillsville, Pa. Office became Presidential July 1, 1943.  
 Olive K. Floyd, Hookstown, Pa. Office became Presidential July 1, 1943.  
 Ralph M. Pearce, Hyde, Pa. Office became Presidential July 1, 1943.  
 Charles M. Brubaker, Intercourse, Pa. Office became Presidential July 1, 1943.  
 W. Herbert Pearsol, Kunkletown, Pa. Office became Presidential July 1, 1943.  
 Charles C. Duck, Lewistown, Pa., in place of J. C. Amig, removed.  
 Martha M. Stamm, Lincoln, Pa. Office became Presidential July 1, 1943.  
 Thomas F. Melody, Locust Gap, Pa. Office became Presidential July 1, 1943.  
 Ella R. Bradley, Mahanoy Plane, Pa. Office became Presidential July 1, 1943.  
 Alexander J. O'Reilly, Mayview, Pa., in place of A. D. Gibson. Incumbent's commission expired December 21, 1941.  
 Marie Sterrett Smith, McKean, Pa. Office became Presidential July 1, 1943.  
 Basil W. Bradley, Middlebury Center, Pa. Office became Presidential July 1, 1943.  
 Lucy M. Labuski, Morris Run, Pa. Office became Presidential July 1, 1943.  
 George P. Kratzert, Neffsville, Pa. Office became Presidential July 1, 1943.  
 Mary F. Wilson, Newportville, Pa. Office became Presidential July 1, 1943.  
 Agnes Susan Whisdosh, Norvelt, Pa. Office became Presidential July 1, 1943.

## SOUTH DAKOTA

F. Marion Brooks, Florence, S. Dak., in place of E. F. Heuer, transferred.  
 Alice M. Hudgel, Garretson, S. Dak., in place of A. C. Lembecke, deceased.  
 Freda Haberman, McLaughlin, S. Dak., in place of C. H. Page, resigned.  
 Jessie E. Hanson, Mound City, S. Dak., in place of A. A. Kluckman, transferred.  
 John A. DeLay, Wessington Springs, S. Dak., in place of Ward Kieser, removed.

## TENNESSEE

Joseph L. Arrington, Cordova, Tenn. Office became Presidential July 1, 1943.  
 Percy E. Beard, Kingston Springs, Tenn. Office became Presidential July 1, 1943.  
 Edgar D. Robinson, Lancaster, Tenn. Office became Presidential July 1, 1943.

## TEXAS

Aileen M. Greer, Chireno, Tex., in place of G. W. Greer, resigned.  
 Lenore H. Boothe, Gonzales, Tex., in place of Fred Boothe, deceased.  
 Allen A. Collet, Handley, Tex., in place of A. A. Collet. Incumbent's commission expired June 23, 1942.  
 Tempest Adams, Skellytown, Tex., in place of D. B. Statton, resigned.  
 Myrtle B. Clark, Vidor, Tex. Office became Presidential July 1, 1943.

## VERMONT

Annie J. Graiff, Readsboro, Vt., in place of M. F. Brown, resigned.

## VIRGINIA

Hugh E. Love, Boissevain, Va. Office became Presidential July 1, 1943.  
 Annie G. Davey, Evington, Va. Office became Presidential July 1, 1943.  
 Emily B. Chinn, Hague, Va. Office became Presidential July 1, 1943.  
 Charles M. Saunders, Milford, Va. Office became Presidential July 1, 1943.  
 Indiana B. Poindexter, Morrison, Va. Office became Presidential July 1, 1943.  
 W. Roger Burgess, Mount Crawford, Va. Office made Presidential July 1, 1943.  
 Dewey B. Bennett, Ringgold, Va. Office became Presidential July 1, 1943.  
 Anna R. Brown, Woodlawn, Va. Office became Presidential July 1, 1943.

## WEST VIRGINIA

Eleanor M. Lantz, Blacksville, W. Va. Office became Presidential July 1, 1943.  
 Charles Pelfrey, Fort Gay, W. Va., in place of G. J. Carter, Jr., resigned.  
 Eddith Fox, Gilbert, W. Va. Office became Presidential July 1, 1943.  
 George L. Carlisle, Hillsboro, W. Va. Office became Presidential July 1, 1943.

## WISCONSIN

Cora J. Sorenson, Mount Horeb, Wis., in place of C. J. Sorenson. Incumbent's commission expired April 26, 1942.

## CONFIRMATIONS

Executive nominations confirmed by the Senate January 19 (legislative day of January 11), 1944:

## IN THE MARINE CORPS

## TEMPORARY SERVICE

## To be major general

DeWitt Peck

## To be brigadier general

Gerald C. Thomas

## REGULAR SERVICE

## To be second lieutenants

Robert P. Smith	Charles H. Scholfield
Carl E. Walker	Jay T. Nichols
William L. Eubank	Arba K. Alford, Jr.
William H. Dennen	Bevan G. Cass

## POSTMASTERS

## ALABAMA

Katherine D. Wright, Auburn.

## KENTUCKY

James A. Usher, Farmington.  
 Elizabeth Godsey, Hardburly.  
 James L. Howard, Kings Mountain.  
 Mary H. Buckler, Loretto.  
 Arnold E. Adkins, Raceland.  
 Thelma Chloe Howard, Summer Shade.

## TENNESSEE

James A. Hudson, Brownsville.  
 John V. Kendall, Troy.

## WEST VIRGINIA

Dallas R. Yeager, Mason.